

# *Expanding* Options

---

**State Financing of  
Education Pathways for  
Struggling Students and  
Out-of-School Youth**



NATIONAL YOUTH EMPLOYMENT COALITION



## *About the National Youth Employment Coalition*

The National Youth Employment Coalition (NYEC) improves the effectiveness of organizations that seek to help youth become lifelong learners, productive workers, and productive citizens. Toward this end, NYEC:

- Tracks, crafts, and influences policy
- Sets and promotes quality standards
- Provides and supports professional development
- Builds the capacity of organizations and programs

Since its founding as a membership network in 1979, NYEC has grown to over 250 members in 41 states and the District of Columbia. NYEC's members represent a broad range of organizations in the fields of workforce development, youth development, and education. The membership includes direct service providers, public agencies, associations with affiliate networks, research and policy groups, and technical assistance providers. NYEC also works with organizations in countries around the world.

The National Youth Employment Coalition is supported by the Carnegie Corporation of New York, Lumina Foundation for Education, Charles Stewart Mott Foundation, Public Welfare Foundation, William Penn Foundation, the Institute for Educational Leadership, fees for service, and membership dues.

For more information about NYEC, visit [www.nyec.org](http://www.nyec.org).

---

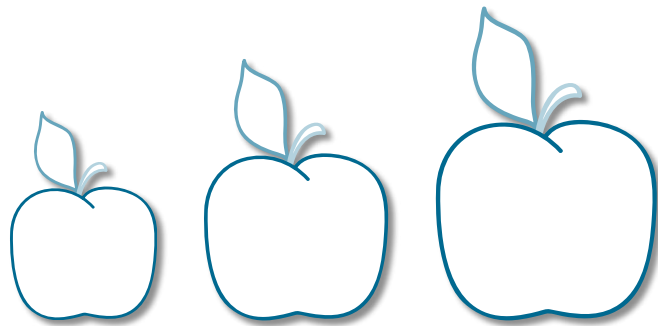
1836 Jefferson Place, NW ● Washington, DC 20036 ● 202/659-1064 ● [www.nyec.org](http://www.nyec.org)

*Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth* was made possible by a grant from the Carnegie Corporation of New York. The statements made and views expressed are solely the responsibility of the author.

This document may be quoted, copied, and disseminated at no cost and without permission, provided the source is identified as: National Youth Employment Coalition. (2008). *Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth*. Washington, DC: Author. Reproduction of this document for commercial sale or benefit is prohibited.

Graphic design by Schnabel Studio ([schnabell@gmail.com](mailto:schnabell@gmail.com))

© August 2008 National Youth Employment Coalition



# *Expanding* Options

---

**State Financing of  
Education Pathways for  
Struggling Students and  
Out-of-School Youth**



NATIONAL YOUTH EMPLOYMENT COALITION



---

# Contents

Acknowledgements.....	5
Preface .....	7
Introduction .....	9
State Profiles	
Indiana .....	18
Massachusetts.....	28
North Carolina.....	40
Appendix: Potential Sources of Public Funds to Support Secondary Education Options.....	49
NYEC Board of Directors and Staff.....	51
Membership Benefits for Organizations .....	53
Application for Membership .....	55



---

# Acknowledgements

The National Youth Employment Coalition (NYEC) would like to thank representatives of the profiled states who were involved in making this publication possible. We appreciate the opportunity to work with state and local education and workforce representatives to gain a better understanding of existing mechanisms that provide funding for a variety of education options.

In particular, we would like to thank representatives from the profiled states for their time, insight, and contributions:

In Indiana, Molly Chamberlain, Lynn Lupold, Dee Kempson, Bill Riley, Debbie Hine, Linda Warner, Sondra Towne, and Matt Fleck, Indiana Dept. of Education; Robert K. Toutkoushian, Center for Evaluation & Education Policy; Cheryl Orr, Indiana Education Roundtable; Rep. Luke Messer, Indiana House of Representatives; Corrie Heneghan, The Mind Trust (formerly of the Mayor of Indianapolis' Office of Charter Schools); Michael Young, Indiana Department of Workforce Development; and Joanne Joyce and Matthew Rager, Indianapolis Private Industry Council.

In Massachusetts, Philip Jackson, Boston Public Schools; Jenny Caldwell Curtin, John Bynoe, Stafford Peat, Cliff Chuang, Hadley Brett Cabral, and Keith Westrich, Massachusetts Department of Elementary and Secondary Education; Jennifer James, Massachusetts Executive Office of Labor & Workforce Development; Janice Manfredi, Commonwealth Corporation; Neil Sullivan and Kathy Hamilton, Boston Private Industry Council; Don Gillis, Massachusetts Workforce Board Association; and Rep. Robert Koczera, Massachusetts House of Representatives.

In North Carolina, Bill Anderson, Communities in Schools Charlotte; Linda Harrill, North Carolina Communities in Schools; Kyle Ledford, Haywood County Schools; Phil Pressley, Central Haywood High School; Becca Ireland and Pam Pauley, Asheville High School; Kris Nordstrom, Fiscal Research Division, North Carolina General Assembly; Chris Minard, North Carolina State Board of Education; Geoff Coltrane, North Carolina New Schools Project; Prentice Davis, Gateway to College; Trip Stallings; and at the North Carolina Department of Public Instruction, Jack Moyer, Bryan Setser, Ed Bell, Paul LeSieur, Wandra Polk, Valoria Burch, and Kathy Sullivan.

Christina Weeter, Policy Associate, and Nancy Martin, Director, Capacity Building Initiatives, served as principal authors of this publication; however, this project is the result of the contributions of many current and former NYEC staff. Mala B. Thakur, Executive Director, first conceptualized this effort and provided overall direction and editorial support. Mindy Detzler, Project Manager, conducted preliminary research on the three profiled states and assisted with site visits and interviews in Massachusetts. Kate O'Sullivan, Director, Quality Initiatives, assisted with site visits and interviews in Indiana.

NYEC's Education Initiatives are directly shaped and influenced by our national membership. In particular, we would like to thank the NYEC Education Working Group and its Co-Chairs, Ephraim Weisstein and Phil Matero, and the NYEC Board of Directors for providing guidance with the development of this project.

Finally, we would like to thank the Carnegie Corporation of New York for their generous support of this project.





---

# Preface

In order to secure and maintain employment at a living wage, young people must navigate across many systems to prepare for and succeed in the 21st century labor market. Yet for many, the path to, and perhaps the definition of success, as well as the route to social mobility, have changed. What is the right path to a credential, employment, and career success? Is there one path or are there options? How can we finance and expand options and what are the policy levers that support their growth?

*Expanding Education Options* continues National Youth Employment Coalition (NYEC) efforts to explore and address these questions and examines how a variety of education options are financed and implemented in Indiana, Massachusetts and North Carolina. Using lessons learned from our research, NYEC seeks to inform and encourage states, localities, and education systems to develop viable education options and pathways to a high school diploma for struggling students at risk of dropping out and for those who have already left school.

In 2004, NYEC began investigating how alternative schools and programs access state education funding to re-engage dropouts and provide comprehensive services to youth that lead to an education credential and/or employment. As a follow up to the National Conference of State Legislatures 1996 report entitled *State Education Funding Policies and School to Work Transitions for Dropouts and At-Risk Students*, NYEC examined how states define alternative education to further explore whether there is any language in the statutes that would prevent schools and programs from tapping into these funds. After completing an initial scan of state definitions and policies on alternative education, NYEC found that while most of the statutes included punitive language, there were no explicit funding barriers, yet it is still challenging for programs and schools to tap into these funds and is encouraged in just a small number of states.

Drawing from NYEC's policy analysis in several states, research, and input from a broad network of local, state, and national policymakers, educators, and practitioners we have crafted the following set of principles.

## Education pathways/options should:

- Be operated by institutions that can award education credentials and include multiple pathways to a credential.
- Offer competency-based and applied learning approaches.
- Employ relevant performance indicators for student achievement and for programs/schools.
- Be supported by a combination of pathways and structures, such as partnerships with departments of education, community based organization (CBO) schools, and charter schools.
- Award credit based upon proficiency and competency.
- Use measures that consider student progress over time and relative gains.
- Collaborate with a myriad of partners, including, but not limited to education systems/programs, community-based organizations, community colleges etc.
- Education pathways/options should include characteristics and elements that encourage students to stay in an education program or school.
- Include work-based learning, career preparation, internships and other opportunities to help prepare youth for paid employment in the 21st century workplace.

Ultimately, expanding education options is far more than a funding issue, but really part of an innovative approach to public education designed to meet the needs of all students. This approach includes a diverse set of delivery systems and stakeholders, which often fosters tension between innovation and maintaining the status quo. Yet examination and analysis of viable examples of schools, programs, and policy mechanisms demonstrate that new approaches and pathways to public education can be created. Continued encouragement and support of collaborations among educational systems, workforce systems, and community-based partners is essential. It is our hope that the policy recommendations and strategies that follow will inform state and national policy and foster the expansion of quality education options for all youth.

—Mala B. Thakur, *Executive Director*



---

# Introduction

The long-term economic health of our nation depends on investments we make in young people, especially investments aimed at increasing their participation in a knowledge-based economy. We should engage all of our youth, including those who at times become disconnected from school and community, in order to maintain and grow America's competitive edge in the global economy. Yet, nearly one-third of our nation's youth do not complete high school, according to recent studies by the Urban Institute and the Manhattan Institute.<sup>1,2</sup> Students of color have little more than a 50% chance of earning a high school diploma. Without the higher level of skills demanded by employers in the current labor market, opportunities for employment at a living wage, and, ultimately, self-sufficiency, are dismal for young people lacking a high school diploma. Without an adequate education, many young people will lack the basic skills necessary for even minimum-wage jobs. Roughly five million 16- to 24-year-olds (about 15%) have left school and are unemployed.<sup>3</sup> There has been much recent federal and state attention to low high school graduation rates and the need to redesign high schools, but little attention has been paid to the large number of students who have dropped out and whose needs, in many cases, simply cannot be addressed by traditional high schools.

Clearly, we must improve the success rates of our high schools. But in addition to the need for secondary education reform and dropout prevention and intervention measures, the high percentage of young people leaving traditional education systems necessitates comprehensive dropout recovery efforts designed to connect young people to a range of options within and outside of the traditional school systems that lead to a high school diploma and are responsive to their varied needs, life circumstances, and learning styles. In focusing on how state policies affect the financing of these education options, NYEC seeks to enable and encourage communities and states to develop policies that facilitate the creation of viable education options and multiple pathways to a high school diploma for struggling students at risk of dropping out and for those who have already left school.

“Alternative” education options, offered by public school districts and community-based organizations,

are schools and programs that provide students who are struggling in or have left a traditional high school environment with the opportunity to complete high school or its equivalent, obtaining the necessary credentials to enter employment and/or postsecondary education and training. Such schools usually offer innovative programming, a low student-to-teacher ratio, extensive student supports, and schedule flexibility. They are often career-based, offering students internship and work experiences as part of their high school program. These schools and programs provide many students who are struggling in traditional high schools the supports needed to stay on track to graduation. Many also offer a second (or third or fourth) chance to students who have previously fallen off track, offering a different educational environment and program from the one that failed these students in the past. Unfortunately, some district-run alternative schools serve merely as detention facilities for students who have engaged in disruptive or violent acts in school; these are not education options which serve to re-engage students in an atmosphere of high academic expectations, and we do not consider such programs here.

In an attempt to avoid the negative connotations and marginalization of the term “alternative,” throughout this publication we have attempted to minimize its use, instead using “education options” wherever possible. While it is impossible to erase the term from the discussion, this conscious change in language is meant to signal our belief that the focus must be on expanding options for all young people.

Increasingly, states are involved in efforts to improve their high schools and raise graduation rates. As part of this redesign of high schools, they are forced to confront the fact that many of their students are struggling in or have dropped out of school and must consider how they will reach, engage, and reconnect young people as they develop plans to redesign high schools. Given the new economy, the goal for the American high school must be to graduate the overwhelming majority of students with proficient skills to earn a living wage in the 21st century. School districts need to offer a “portfolio” of secondary school options—all having the highest standards while customizing to meet the needs of a diverse population.

---

## Introduction *continued*

Funding and policy need to be re-aligned to support the reinvention of the American high school and the expansion of education options.

Ultimately, expanding secondary education options targeted to struggling students and out-of-school youth can help states and districts re-evaluate their secondary education offerings and begin to create more options for all students. Indeed, the success of alternative schools and programs could potentially lead to systems of expanded education options for all students.

### State Profiles

The profiles of state policy in Indiana, Massachusetts, and North Carolina which follow examine how various education options are accessing public funds in three states. They contextualize the funding of education options within larger secondary education reform and dropout prevention and recovery efforts and provide a close look at state education funding policy in each of the three states. These profiles build on previous work of the National Youth Employment Coalition, which, in 2004, developed a quality standards self-assessment for alternative schools and programs (*NYEC EDNet*) and, in 2005, profiled alternative education programs and schools in eight states, documenting relevant funding policies and mechanisms at the state and local levels.<sup>4, 5</sup>

In 2006, with support from the Carnegie Corporation of New York, NYEC continued to explore the financing of education options. The states profiled were chosen in tandem with the *Staying the Course* project, a joint venture of Achieve Inc. and Jobs for the Future, supported by the Carnegie Corporation of New York. The *Staying the Course* project (which has been renamed *Moving Forward*) aims to help Indiana, Massachusetts, and North Carolina, and school districts within these states, pursue the “dual agenda” of raising standards for earning a high school diploma and significantly increasing the number of students who earn such a diploma rather than dropping out of school.<sup>6</sup>

The profiles that follow document the effects of state education finance policy on local efforts to expand education options in three states at various stages of high school

reform efforts. Each is a “leader” in certain areas (whether by intentional design or not), and each has areas for improvement.

Each profile begins with a one-page overview of the secondary education reform context, major dropout prevention and recovery efforts, and funding of education options in the state. Overviews are followed by more in-depth discussion of these areas, as well as detailed information on state funding of public education in each state and examples of how state policy affects programming at the local level. Research for this publication included telephone and in-person interviews with key state- and local-level staff, review of online and print resources, and site visits to promising schools and programs between November 2006 and May 2008. As of the date of publication, NYEC believes all information contained in these profiles to be accurate. However, as education policy and practice changes, some of the information provided will become outdated over time; key practices and policy issues will remain relevant, however.

### Financing Education Options

This publication describes a number of finance-related areas in which states can support the development of education options that serve struggling students and disconnected youth. First, states can work to ensure that existing education funds are able to flow to support students in a range of education programs both within and outside of traditional public school settings. In addition, states can provide new or additional education funds to directly encourage public school districts to expand options for secondary education. Finally, states can ensure that legislation is flexible enough to allow for various educational approaches. Within each of these areas, we identify specific actions states can take to support the expansion of education options.

## I. Allow education funds to flow to support students in programs both within and outside of traditional public school settings

### Ease the Flow of State Education Funds to Options that Work

*States should enable the development of more education options and increase resources available for these education pathways by facilitating the flow of state education funds to non-public school education providers.*

State education funds, based on a count of pupils in attendance, are the major source of financial support for most alternative education programs.<sup>7</sup> While education options programs, particularly those run by community-based organizations, often piece together funding from a variety of sources (see Appendix), state education support, which states provide to local education agencies based on “average daily membership” or “average daily attendance” (ADM or ADA), is usually the most stable and long-lasting source of available funding for education options. While funding for education options offered by public school districts is usually very similar to funding for all public schools, community-based organizations often find it more difficult to access these funds. Despite the fact that no state prohibits state education funds from supporting education programs operated outside of public school districts, very few actually facilitate this process of “funds following the student” to non-district-run programs. Where state education funding does “follow the student,” this is most often achieved either by local school districts contracting with community-based or private providers or by granting charters to community-based organizations to work with struggling students or disconnected youth.<sup>8</sup>

Public education dollars flowing to programs outside of the traditional public school are often leveraged when community-based organizations bring in other financial support, from foundations and businesses, as well as other public sources. Such blending of funding often is not possible for public schools themselves; so in this way,

allowing funds to follow students to community-based education pathways can increase resources to support this much-needed programming.

In Massachusetts, districts contract with community-based organizations to provide education options for their students. These “external programs” receive funds or in-kind staffing from the school district, rather than per pupil allocations, with the amount of funding or in-kind support determined by the district and usually amounting to less than half of what traditional schools receive per pupil. By contrast, in Indiana, in order to be eligible to receive state alternative education funds, education programs must be

programs of a school corporation or charter school, and teachers must be employed by the school corporation or charter school.

### Provide Adequate Funding to Support Education Options

*States should ensure that adequate funding follows students in education programs outside of the public K-12 system.*

Policies governing the financing of charter schools and support for programs in which a public school district contracts out with a community-based program vary widely. In some states, including Indiana, Massachusetts, and North Carolina, charter schools are funded based on the same per pupil formulas as traditional public schools; in others, they are funded at a lower amount per pupil. In the case of districts receiving state per pupil funds and contracting out

for services for some of their students, the state usually designates an acceptable (and often sizeable) portion of state education funds to be kept by the district to cover administrative costs. While retaining this funding may be necessary for districts (which are often still the responsible agent in such cases), the result is one in which an alternative education program receives less than the standard per pupil amount provided to traditional schools—while often being expected to serve a population of students who have not been successful in school in the past and therefore may need more resources to be successful.

---

*In some states, including Indiana, Massachusetts, and North Carolina, charter schools are funded based on the same per pupil formulas as traditional public schools; in others, they are funded at a lower amount per pupil.*

---



Rarely are there provisions made for charter schools' or community-based programs' building and transportation expenses. State and local education funds are usually only available to them based on the per pupil amounts, and this effectively reduces the funds available to these programs and schools compared to the traditional education system.

As state education funds are usually provided to local education agencies on a nearly one-year delay (based on the previous year's enrollment levels), charter schools and community-based education programs and schools are often unable to "float" the start-up year in which no state education funds exist. However, Indiana allows new charter schools to receive state funds based on their September Average Daily Membership count and the per pupil state funding of the local district in which the charter is located. State funding is provided monthly beginning in January of a charter's first year. In subsequent years, charters in Indiana receive state education per pupil funds in the same way that traditional public schools do.

### **Extend Education Funds to Support High School Completion for Older Youth**

*States should make public education funding available to serve students until they obtain a diploma.*

Most education policy is based on the assumption that students begin primary public education with kindergarten at age 5 and complete secondary education at the end of 12th grade at age 18, completing exactly 13 consecutive years of school without interruption. In reality, many students take more than four years to complete high school, and many students drop out of school, some spending time out of school before ultimately returning. For this reason, many have argued that states should provide education funds to serve students at least until they obtain a diploma or reach age 21, if not beyond.

Indiana does not have an upper age limit for school enrollment. Anyone may attend high school until they have obtained a diploma, and as long as they are enrolled in school, the school corporation would receive per pupil funding for them. However, placement is at the discretion of the local school corporation, and this means a district could choose to place an older student in its Adult Basic Education program, in which case the student would not

be enrolled as a K-12 student but rather as an adult education student, for which the district would obtain adult basic education funding instead of K-12 per pupil funding from the state. Likewise, the state of Massachusetts places no upper age limit on high school enrollment for purposes of per pupil funding. North Carolina makes per pupil K-12 funding available for a student's education until age 21.

## **II. Provide additional education funds to support existing education options adequately and to encourage public school districts to expand options for secondary education**

### **Establish and Fund Statewide Dropout Prevention and Recovery Programs**

*States should support statewide programs to increase graduation rates, including dropout prevention and dropout recovery programs.*

With states increasingly focused on high school graduation rates, a number have developed programs and initiatives designed to increase the number of young people completing high school, with an emphasis on meeting the needs of struggling students and out-of-school youth. States can support dropout prevention and recovery efforts at the local level by adopting models (such as evening academies or smaller learning communities) and developing statewide initiatives (focused on, for example, dual-enrollment or credit recovery through online learning).

Indiana's Fast Track program authorizes postsecondary institutions to offer a high school completion program for students ages 19 and older to earn a high school diploma while simultaneously earning credit toward an associate's degree or certificate program. That state also has the School Flex program, which encourages the creation of education options during which students may work while completing high school. North Carolina's Learn & Earn is a statewide initiative offering a five-year dual-enrollment option for students wishing to obtain an associate's degree while completing high school at no cost to the student. The Learn & Earn program targets students who are low-income, first generation, or not previously successful in traditional schools, to go to college.

## Provide Additional Resources to Schools and Programs Serving the Hardest to Serve Students

*States should consider instituting a weighted student formula in determining funds allocated to education options.*

Because some students require educational services and extensive supports to succeed in school, funding at the same per pupil level as traditional education programs is often inadequate. Standard per pupil funding levels usually are not sufficient to support education options serving struggling students and formerly out-of-school youth. Some state funding formulas take into account numbers of students who are receiving special education services or are English Language Learners, or even numbers of students from low income families. It would greatly increase the ability of these education programs and schools to have similar recognition that their models (which often include lower student-to-teacher ratios, extended days, extensive supports, and mentoring) and their students (who often have multiple barriers to success in school) make for a more expensive educational program. But while most education options for struggling students and out-of-school youth cost more than traditional education, it is important to note that the alternatives to these so-called “costly” programs (e.g., incarceration, lost wages) are much more costly themselves. Adopting a weighted student formula that recognizes the extra cost of educating students who are over-aged and under-credited, formerly adjudicated, teen parents, and so on, would assure that adequate resources are available to address the needs of these perhaps hardest to serve young people.

Indiana’s Alternative Education Program Grants provide extra per pupil funds for alternative education programs run within the public school districts. Funds are meant to cover the additional cost of these programs (e.g., specialized materials, testing, field trips, and professional development for staff). Under this program districts may receive up to \$750 per full-time student enrolled in an alternative education program or school within the dis-

trict. Districts are required to match at least one-third of these funds. Unfortunately, due to budget constraints, the amounts of these grants have generally been well below the stated maximum amount. North Carolina’s Committee on Dropout Prevention recently awarded \$7 million in one-time state grants to 60 programs across the state. While the program indicates state interest in dropout prevention, such one-time awards can do little to support alternative education options long-term.

---

*While most education options for struggling students and out-of-school youth cost more than traditional education, it is important to note that the alternatives to these so-called “costly” programs (e.g., incarceration, lost wages) are much more costly themselves.*

---

## III. Ensure legislation is flexible enough to allow for a variety of educational approaches

### Allow Flexibility on Key Education Programming Issues

*States should allow flexibility regarding regulations affecting education options programs’ eligibility for state education funds.*

While some states are moving toward a system of awarding credit based on competency, the vast majority continue to award credit based on the Carnegie unit, or time spent in the classroom. In response to the many dropouts who report that the school they left moved too quickly or too slowly for them, many education options offer students a program through which they can proceed at their own pace, graduating when they have successfully completed requirements and can demonstrate mastery of core subjects. Awarding students credit for performance without regard to “seat time” usually requires a school

to request a waiver from the state. Indiana’s State Board of Education has been focusing on increasing flexibility for schools and removing barriers to serving students by eliminating such “seat time” requirements. Currently, schools can request a seat time waiver, but officials are considering eliminating the need for a waiver to award students credit for mastery.

Alternative education options challenge traditional education expectations about time in other ways as well. Many such programs offer flexible scheduling or year-

round programs in an effort to meet the needs of students who are parents or work and students who are significantly behind in credits and need to accelerate their high school programs, either to fit in with personal deadlines, or, more likely to complete high school before “aging out” of eligibility for state education funds. One program in Massachusetts combines 90 minutes of classroom time with a summer or afterschool job to assist young adults who have not passed state exams to improve their reading, writing, and mathematics skills. Classroom at the Workplace classes are taught by Boston Public School teachers and offered at the work site five days per week in conjunction with summer jobs and as a once per week class for those who are working part-time in afterschool hours during the school year. The Gateway Recovery Program in Haywood County, North Carolina, is a self-paced credit recovery program on a community college campus that targets students who have barriers to attending a traditional high school, such as parenting, poverty, or another need. The Gateway program offers students schedule flexibility and the chance to catch up on credits needed for graduation. Other programs modify the traditional four-year model for high school. For example, the Another Course to College high school in Massachusetts has redesigned its grade structure to allow students to complete a “sub-10th grade” year, during which they repeat only the 9th grade courses they failed and wait a year to take the 10th grade MCAS exam required for graduation. Students refer to themselves as “freshmores” or “sophmen,” thus avoiding the stigma of being perceived as “repeaters.”

As states seek to support an expanded range of education options to meet students’ needs, they must consider the way policies such as those related to time in classroom vs. demonstrated competency, mandatory school day or year length, high school program length, among many others (e.g., teacher certification requirements, mandated textbooks or curriculum, course requirements) affect programs’ ability to provide the range of options necessary to meet these needs.

### **Recognize the Need for a Variety of Education Options for a Varied Student Population**

*States should support the development of a variety of education options for struggling students and out-of-school youth.*

Students fall off track on the way to high school graduation for a variety of reasons and face many different barriers to getting back on track. Because struggling students and out-of-school youth are not a homogenous group, education options designed to help these students get back on track to graduation must be varied to meet their needs. A number of districts across the country are recognizing the importance of a “multiple options” approach and have expanded options for high school so students have a range of choices about their high school programs. While having this expanded set of options is crucial for students who are struggling in or have dropped out of traditional high schools, and it is with these students in mind that new options are often created, it is probably better for all students to have a variety of secondary education options. High-quality education options can inform the larger secondary education reform discussion.

Ideally, all students should have education options that include: accelerated learning, twilight academies, programs for parenting teens, credit recovery, GED preparation, juvenile justice re-entry, employment preparation, and career and technical education. Such a range provides young people with a variety of pathways to a recognized credential, offered by a range of organizations, including public schools and community-based organizations. With this “portfolio” of education options, however, comes the risk of tracking, with students being sorted into particular tracks without the ability to move to other tracks. For a system of multiple options to truly provide students with options, all pathways should lead to a recognized credential and prepare students for postsecondary success.

In addition to encouraging communities to provide a range of options, states need to consider how they can support communities to scale up successful efforts. For example, while Massachusetts makes a large variety of education options available to struggling students and out-of-school youth, the reality is that the number of over-age and under-credited students in the state far outweighs the number of available opportunities or seats within schools and programs that have the capacity to serve such youth. If they hope to turn large numbers of over-age and under-credited students into high school graduates, both the state and local school districts will have to invest more funding and resources in education options.



## Encourage Collaboration Beyond the Public Schools

*States should encourage school districts to collaborate with other local youth-serving systems and community-based organizations to meet the needs of struggling students and out-of-school youth.*

It is not possible for school districts to meet the needs of struggling students and out-of-school youth alone, and collaboration among agencies and systems results in improved outcomes for disconnected youth and increased opportunities for youth-serving systems.<sup>9</sup> The National League of Cities' Institute for Youth, Education, and Families documents the benefits of such cross-system collaboration as being improved experiences and outcomes for disconnected youth, improvements in the ways individual systems and agencies operate, more comprehensive and effective interventions, more efficient use of public resources, and increased information sharing among youth-serving organizations and offices.<sup>10</sup> Those communities which have been most successful at providing a wide-range of education options for their students have worked hard to encourage collaboration between the school district and other public and community-based organizations. Districts in Portland, Oregon; Philadelphia, Pennsylvania; and New York, New York, have partnered with community-based organizations and other youth-serving systems to offer a variety of education programs designed with this student population in mind.

The Pathways to Success by 21 initiative was jointly developed by the Massachusetts Departments of Workforce Development, Elementary and Secondary Education, and Health and Human Services and seeks to align youth services throughout the state, particularly for those young people deemed most “at risk.” The state actively encourages local collaborations by offering grants for cross-system partnerships at the local level to create plans for coordinated youth services. Massachusetts is currently considering legislation which would further increase collaboration and coordination to lower dropout rates and increase re-enrollment of dropouts in an attempt to drastically increase high school graduation rates in the state.

---

*Massachusetts actively encourages local collaborations by offering grants for cross-system partnerships at the local level to create plans for coordinated youth services.*

---

## Notes on Punitive Policies

Faced with low graduation rates, states are eager to identify ways to keep students in school and on track to graduation. This has led some states to adopt “punishments” or to take away privileges for young people under the age of 18 for leaving school prior to graduation. Over half of states make the privilege of driving contingent on school attendance, good behavior, or achievement.<sup>11</sup> While such policies are intended to increase school participation, it is not clear they are having the intended effect. Local practitioners express concern over their punitive nature and over the ability of the state to enforce such policies with fairness. Indiana Code forbids a driver's license or learner's permit from being issued to an individual under the age of 18 who has withdrawn from school for a reason other than financial hardship. Similarly, North Carolina requires those under 18 who seek a permit or license to have a high school diploma or its equivalent or be enrolled in school and making progress toward a high school diploma.

About one-third of states also have increased the age of compulsory schooling to 18 as a dropout prevention measure.<sup>12</sup> As with punishments for dropping out, in the absence of a concurrent and dramatic increase in offerings to students who fall off track or behind toward graduation, such policies seem unfair to young people. Youth are dropping out due to many factors, which often speak more to the failure of institutions that are responsible for education than the ability of the individual student. Unless we make drastic changes in the education options for students, we cannot expect that forcing students to endure “more of the same” will lead to good results. However, legislation requiring students to remain in school until age 18 could be viewed as an acknowledgement on the part of a state to take responsibility for educating all youth, including those who fall off track, at least until age 18. Viewed in this light, such legislation might prove useful to advocates seeking appropriate resources and programming for the currently underserved disconnected youth population.

### Educating *All* Students

As states expand the range of education options available to keep students on track to high school graduation and to help those who have left school get back on track, they are faced with the daunting challenge of covering the increased cost of educating many more students. With a very large number of young people dropping out of school before graduating, we have, in effect, been spending much less on education costs than we would if we were actually educating all of our young people. Such “economizing” is no bargain to anyone, for in the long run the costs of low graduation rates to individuals and society are many times greater.

The time is right for states to insist on a new approach to secondary education which acknowledges students’ varied needs and provides numerous education options and pathways to success in postsecondary education and training, careers, and adulthood.

### Endnotes

- <sup>1</sup> Greene, J.P., & Winters, M.A. (2005, February). *Public high school graduation and college readiness rates: 1991–2002*. Education Working Paper No. 8. New York, NY: Manhattan Institute for Policy Research.
- <sup>2</sup> Swanson, C.B. (2004). *Who graduates? Who doesn’t? A statistical portrait of public high-school graduation*. Washington, DC: The Urban Institute.
- <sup>3</sup> Sum, A., Magnum, G. & Taggart, R. (2002). *The young, the restless and the jobless: The case for a national jobs stimulus program targeted on America’s young adults*. (Policy Issues Monograph 02-01.) Baltimore, MD: Sar Levitan Center for Social Policy Studies, Johns Hopkins University.
- <sup>4</sup> National Youth Employment Coalition. (2004). *NYEC EDNet*, 2nd Edition. Washington, DC: Author.
- <sup>5</sup> Thakur, M. B., & Henry, K. (2005). *Financing alternative education pathways: Profiles and policy*. Washington, DC: National Youth Employment Coalition.
- <sup>6</sup> Steinberg, A., & Almeida, C.A. (2008). *Raising graduation rates in an era of high standards: Five commitments for state action*. Boston: Jobs for the Future.
- <sup>7</sup> Thakur, M. B., & Henry, K. (2005). *Financing alternative education pathways: Profiles and policy*. Washington, DC: National Youth Employment Coalition.
- <sup>8</sup> Martin, N., & Brand, B. (2006). *Federal, state, and local roles supporting alternative education*. Washington, DC: U.S. Department of Labor, Employment and Training Administration.
- <sup>9</sup> Tsoi-A-Fatt, R. (2008). *A collective responsibility, a collective work: Supporting the path to positive life outcomes for youth in economically distressed communities*. Washington, DC: Center for Law and Social Policy.
- <sup>10</sup> National League of Cities. (2007). *Beyond city limits: Cross-system collaboration to reengage disconnected youth*. Washington, DC: Author.
- <sup>11</sup> Education Commission of the States. (2007, July). *Sanctions on driving privileges*. Washington, DC: Author. Retrieved from <http://www.ecs.org/clearinghouse/60/10/6010.pdf>
- <sup>12</sup> Education Commission of the States. (2007, July). *Compulsory school age requirements*. Washington, DC: Author. Retrieved from <http://www.ecs.org/clearinghouse/64/07/6407.htm>



# Indiana

## Secondary Education Reform Context

- Indiana's **State Action Plan** emphasizes:
  - **Readiness** through targeted early intervention;
  - **Rigor** to ensure students graduate prepared for postsecondary education and the workforce;
  - Positive **Relationships** with adults;
  - School **Redesign** to offer students learning options and personalization;
  - **Retooling** delivery of instruction through professional development; and
  - Identifying and allocating **Resources** effectively.
- Indiana's **Education Roundtable** created a **P-16 Plan** in 2003 that:
  - Identifies ten key components including eliminating achievement gaps and ensuring academic progress for all students; ensuring college and workforce success; dropout prevention; and higher education and continued learning; and
  - Outlines a strategic framework to align state education sectors that guides current administration decision-making.

## Dropout Prevention and Recovery Efforts

- Annual School Performance Report includes **early warning indicators** related to high school dropouts.
- **School Flex** program created for students in grades 11 and 12 enables students to continue toward high school completion part-time while enrolled in college or working.
- **Double Up** program provides dual enrollment options at no cost to eligible high school students.
- **Fast Track** credit recovery program serves returning students ages 19 or older who enroll in a college certificate or associate's degree program (partnership with public colleges and universities).

- **Dropout Recovery Project** facilitates linking students who have dropped out to programs providing adult education.
- **Dropout age increased** from age 16 to 18; requires parent and principal approval to dropout before age 18.
- Dropouts penalized with **loss of driver's license and work permits**, except in cases of financial hardship.

## State Funding for Education Options

- Local education agencies (LEAs) receive per pupil foundation funding from the state with supplements based on the percentage of students eligible for free and reduced lunch, specified vocational education programs, and varying amounts for three levels of special education needs.
- **Alternative Education Grants Program** provides extra per pupil funds for district-run alternative programs and schools.
- Like other LEAs, **charter schools** receive per pupil funding from the state and local tuition paid by each student's county.
- Some schools, including charters, receive **remediation grants** based on results of state Indiana Statewide Testing for Educational Progress (ISTEP) exam results.

---

# *Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth in Indiana*

## Secondary Education Reform Context

Indiana has 293 school corporations (districts) operating approximately 1950 schools in 92 counties. In 2007, 76.5% of students graduated within four years.<sup>1</sup> Of those who did not graduate, nearly 12% were reported as dropouts or “undetermined.” The remaining students were either still in school or earned a GED, a Special Education Certificate, or a non-diploma Course Completion Certificate.

## School Redesign and Realignment

In January 2007, the Indiana Department of Education (IDOE) released a draft document, “High School Redesign Options and Choices,” which outlines several key areas to support Indiana high schools in moving forward from a current traditional model to “a model of the future.”<sup>2</sup> This document highlights a need for increased focus on the use of technology and online learning for all high schools and identifies graduation based on readiness and work/study programs as two areas for potential policy changes. With specific focus on the dropout dilemma, it describes several policies and procedures that are barriers to solving the dropout problem in Indiana, recognizes the need for school redesign to provide options, fluidity, and personalization as well as opportunities for students to make connections between academic content and real world experiences. It also acknowledges that schools and communities working to reduce dropout rates require support in funding and human resources and the need for re-entry interventions, which offer students opportunity for exiting and returning to school without penalty. Furthermore, among its recommendations are the development of an action plan with strategies and actions for high schools regarding dropouts, continuing to study student dropout data on a quarterly basis, and refining and piloting a coaching model to work with struggling students.

In June 2007, the state rolled out an action plan at the state High School Summit that emphasized “Readiness” through targeted early intervention, “Rigor” to ensure students graduate prepared for high school education and the workforce, positive “Relationships” with adults, “Redesign” to offer students learning options and personalization, “Retooling” through professional development, and identifying and allocating “Resources” effectively. Accord-

ing to the High School Redesign Coordinator, as of May 2008 there are approximately 40 to 60 high schools or districts in the process of restructuring, most of which are at the beginning stages of implementation of both New Tech and Small Learning Communities models.<sup>3</sup> Some districts have benefitted from grants from the National Governor’s Association for the past few years.

Indiana is part of the American Diploma Project, committing itself to improving secondary education and student preparedness for the workforce and postsecondary education.<sup>4</sup> Thus far, Indiana has achieved goals of aligning high school academic standards with college and workforce expectations and improving high school course requirements so that in order to earn a high school diploma, students must now complete a work- and college-ready curriculum.

## Indiana’s P-16 Plan

Indiana has policies in place for the alignment of high school standards with college and workplace expectations, and for holding high schools accountable for graduating students college- and work-ready.<sup>5</sup> In addition, Indiana is in the process of aligning standards for using high school tests for college placement and developing a P-16 longitudinal data system. In 2003, Indiana’s Education Roundtable adopted a P-16 strategic framework outlining the steps that need to be taken to align Indiana’s education sectors (Phase I of the framework).<sup>6</sup>

The P-16 Plan identifies ten key components including eliminating achievement gaps and ensuring academic progress for all students; ensuring college and workforce success; dropout prevention; and higher education and continued learning. To help ensure workforce success, the P-16 Plan identifies “next steps” that include:

- Requiring students choosing not to take the recommended Core 40 course of study to formally “opt out” with parental and school consent;
- Encouraging students’ progressive exposure to the world of work through connected learning experiences such as job shadowing, internships, and other career exploration opportunities while ensuring that school attendance policies support the educational value of these experiences; and



- Ensuring that high school vocational/technical programs lead to highly skilled occupations in high demand areas by linking with degree programs at Indiana two- and four-year colleges (when appropriate) and/or providing business and industry certification skills.

The “next steps” outlined in the P-16 Plan as they related to dropout prevention include the development of mentoring programs for students at risk of failing and the establishment of rigorous alternative programs that provide flexibility to coordinate school, work, and family responsibilities while decreasing barriers to learning (e.g. child care, health issues, and transportation). It is important to note that good policies often need sufficient funding in order to be effective, and this plan does recommend providing financial incentives to reduce chronic absenteeism and dropping out as well, as the implementation of financial policies to ensure that low-income and/or high dropout school districts have sufficient resources to create innovative approaches and provide appropriate support services to students in these districts. The plan also calls for facilitating school partnerships with the judicial system, division of family and social services, and other community-based organizations to identify and implement interventions to keep students in school.

State officials report that many of the strategies from Phase I have been or are in the process of being implemented, and the current administration is using the framework for decision-making on an ongoing basis. Effective for the class of 2011, high school graduation requirements will be aligned with college admission requirements for English, math, science, and social studies.<sup>7</sup>

### Alternative Education

According to the Indiana Department of Education’s Division of Educational Options, the state defines alternative education as follows:<sup>8</sup>

Alternative Education is designed to meet the needs of at-risk students who are not succeeding in the traditional setting. Students are provided with a variety of options that can lead to graduation and are supported by services for the student and their immediate family that are essential to success. While each of Indiana’s 291 alternative

education programs is unique, they share characteristics identified in the research as common to successful alternative schools:

- Maximum teacher/student ratio of 1:15;
- Small student base;
- Clearly stated mission and discipline code;
- Caring faculty with continual staff development;
- School staff having high expectations for student achievement;
- Learning program specific to the student’s expectations and learning style;
- Flexible school schedule with community involvement and support; and
- Total commitment to have each student be a success.

### Dropout Prevention Efforts

The Indiana Department of Education’s High School Graduation Taskforce is convening policymakers, educators, business leaders and community members to examine high school dropout rates and possible solutions.<sup>9</sup> To date, the Taskforce has been promoting innovative high school redesign models, facilitating schools on academic probation to access resources for improvement, identifying state rules and regulations that act as barriers or levers for dropout prevention efforts, and collaborating with local community organizations to focus on increasing graduation rates and reducing dropout rates.

Since 1990, the State Student Assistance Commission of Indiana has administered the *Twenty-First Century Scholars* program designed to increase the enrollment of students facing significant financial barriers into Indiana’s colleges.<sup>10</sup> The Twenty-First Century Scholars program ensures that all Indiana families can afford a college education for their children. Established program goals include: reduction of high school dropout rates, preparation of students entering the workforce, increasing enrollment into institutions of higher learning while reducing financial burden, and decreasing drug and alcohol abuse via support of educational pursuits. The hallmark of the Twenty-First Century Scholars program is that it guarantees free college tuition for participating students at a two- to four-year participating postsecondary institution

in Indiana. Eligible students are based on free and reduced lunch enrollment, and can currently sign up as 7th- or 8th-grade students to become Scholars. This year, the Scholars program is expanding to allow 6th-grade students to enroll.<sup>11</sup>

Upon application to the program, Scholars must fulfill a pledge of good citizenship, including achievement of a high school diploma with a GPA of at least 2.0 on a 4.0 scale; abstaining from illegal drug or alcohol use and committing a crime; application for admission, as a high school senior, to a participating Indiana postsecondary institute; and timely submission for financial aid. Once admitted into the Scholars program, students and parents are immediately linked to a network of support sites. Network support sites encourage the enrolled Scholar throughout high school, assist with college admission, and help with the financial aid process. Some network sites even provide tutoring, mentoring, or social events for the Twenty-First Century Scholars.

In 2005, House Enrolled Act (HEA) 1794 was passed; it increased the legal dropout age to 18 years old and established that youth between the ages of 16 and 18 are required to have approval from their parents and principal in order to withdraw from school. A formal process involving the student, parents and principal was established whereby students must demonstrate financial hardship in order to justify withdrawal. HEA 1794 also established that students who drop out before the age of 18 lose driver's license and work permit privileges unless it is due to financial hardship. Students with a record of chronic absenteeism, defined as more than 10 unexcused absences, also lose work permit privileges. While these legislative changes were intended to increase participation in academic programs, according to officials at the IDOE, no additional funding exists at this time to support implementation.

At the same time the law increased restrictions for dropouts, it also put into place several measures to increase the engagement of students at risk of dropping out. HEA 1794 established a **“School Flex”** Program to allow for the creation of an alternative program for students in Grades 11 and 12 designed to engage students in relevant

learning.<sup>12</sup> Students are allowed to enroll in either a college or technical career education program or spend half the school day working as long as they, 1) attend school for at least three hours per day; 2) pursue a timely graduation; 3) are not suspended or expelled; 4) pursue course and credit requirements for a general diploma; 5) maintain a 95% attendance rate; and 6) meet the school's requirements of a full day student.

In 2006, Indiana enacted HB 1347 to further efforts to curb the dropout trends and provide more opportunities to engage students in relevant learning.<sup>13</sup> The terms under which a student could receive approval for dropping out were clarified; students could only dropout due to financial or health reasons or with permission of a judge. HB 1347 also increased schools' accountability for monitoring and reporting dropouts by requiring that they annually report the number of total suspensions, number of students permitted to drop out, number of work permits revoked, number of driver's permits revoked, number of students in the School Flex program, and the number of freshmen not earning enough credits to become sophomores. To increase the availability of engaging learning options, HB 1347 also calls for the use of “Fast Track” and “Double Up” strategies, described in more detail below.

One current concern about the 2006 legislation is its requirement for more intensive counseling interventions to closely monitor students' progress and intervene as needed. Current counseling staff capacity in the schools, especially in urban districts, is insufficient to provide this level of individualized attention. In fact, the student-counselor ratio in Indiana is the 10th highest in the nation with counselors averaging a caseload of 560 students.<sup>14</sup>

HB 1246, which will go into effect on July 1, 2008, improves upon some policies set forth in HB 1347.<sup>15</sup> Starting in Grade 6 a student and his/her parent will develop a flexible **graduation plan** (previously called a “career plan”), which includes a statement of intent to graduate from high school. Before completing Grade 9, the graduation plan will be further developed in consultation with the student's guidance counselor and parents to include the subject and skill areas of interest to the student, a program of study under the college-technol-

ogy preparation curriculum adopted by the state board for Grades 10–12 that meets the interest and aptitude of the student, assurances that the student will have taken the high school courses needed to support his or her career aspirations, and an indication of any assessments the student may voluntarily take during Grades 10–12 (such as the SAT and ACT, Advanced Placement coursework, workforce readiness exams, etc.). An annual review of each student's graduation plan is now required, and if a student is not progressing, the school is required to provide counseling about credit recovery options and services available to help the student progress toward graduation.

### Dual Credit and Dual Enrollment

The **Double Up** program creates a dual credit option that may be offered by a state educational institution for secondary school students in Grades 11 and 12.<sup>16</sup> Students have the opportunity to earn an associate's degree by receiving dual credit for high school and college coursework with the option of completing coursework onsite at the state educational institution, through telecommunication, or a combination of the two. Free and reduced lunch students receive a tuition waiver from the university and other students may be granted financial assistance or a tuition waiver based on academic achievement, financial need, or any other criteria. The high school must offer a minimum of two dual credit and two Advanced Placement courses so that a student may meet the requirements for Core 40 with Academic Honors diploma.

In 2008, the General Assembly passed HB 1246, which will go into effect on July 1, 2008.<sup>17</sup> This legislation expands the dual credit options available in the state and provides a forum for legislators and others to learn more about virtual learning opportunities. In addition, the legislation creates the Concurrent Enrollment Partnership consisting of a wide spectrum of stakeholders of which the Commission for Higher Education is to provide support.<sup>18</sup> The Partnership is charged with offering recommendations and submitting an annual report.

### Dropout Recovery

Under the **Fast Track** program, postsecondary institutions, including Ivy Tech Community College, Vincennes University, and public colleges and universities, are authorized to offer a high school completion program for stu-

dents 19 and older, or other students who are at least 17 and have consent from the high school they most recently attended.<sup>19</sup> Students take courses on the postsecondary institution's campus and can earn a high school diploma while earning credit toward a certificate program or associate's degree. Students must have any credits toward graduation that were successfully completed at the high school transferred to the postsecondary institution. Under this program the student's home school corporation pays the individual's costs for high school level courses taken at the community college during each year that the student is included in the school's ADM.

Since 1991, Indiana has had a **Dropout Recovery Project** (DRP) to facilitate linking students who have dropped out of the public schools to programs providing adult education. Currently there are about 50 adult education programs authorized to access the IDOE database to identify dropouts who might be interested in their program, including Job Corps, Ivy Tech Community College and Workforce Development programs. In exchange for this free database access, programs are asked to provide the IDOE with data on how many students they contact, the number of students who respond to their recruitment invitations, and how many students complete their programs. Unfortunately, programs have not been consistent in sending the IDOE these data, which makes assessing the success of the DRP difficult. Aside from the Dropout Recovery Project, there are no other centralized dropout prevention and recovery initiatives taking place through the IDOE.

## State Funding for Education

Since 1949 Indiana has used a Foundation Program to allocate funds to public school corporations, although the formula for determining those amounts has changed over the years. These changes were made to:

- Eliminate the traditional dependence of per pupil funding on property wealth per pupil;
- Reduce variability in per pupil funding among school districts;
- Increase per pupil funding; and
- Reduce variability in property tax rates across school corporations.<sup>20</sup>



The 1987 case *Lake Central v. State of Indiana* addressed the issue of inequity in the state's school finance system and resulted in many of the changes to the state's Foundation Program in 1993. As a result of this landmark case, the Foundation Program:

- Continued to set a minimum per pupil expenditure target for each district to equalize funding;
- Specified that local property taxes rates should be the same for school districts with similar levels of expenditures;
- Mandated property tax ceilings; and
- Allowed the per pupil foundation level to be adjusted upward for lower socio economic districts.

The foundation level is the specific amount of per pupil spending guaranteed by the state to a district. The foundation amount for 2008 is \$4,790 (for 2009, it is \$4,825) and is adjusted by the Complexity Index<sup>21, 22</sup>. Factors considered in the calculation of the Complexity Index currently include only the percentage of students who were eligible for free or reduced lunches in the prior school year (the factor which has the most significant relationship with performance on ISTEP pass rates). Additional per pupil funding is granted to secondary schools for three levels of special education needs and for specified vocational education programs. Some schools, including charters, may also qualify for remediation grants, which are funded based on the results of the ISTEP+ test. The state pays 100% of the cost for services to remediate and retest Grade 10 students; remediation for students in any other grade who have not performed well on ISTEP+ or are at risk of academic difficulties require a 50% local match to the state grant. Currently, most of the state money spent on education comes from state income and sales taxes.<sup>23</sup>

### State Per Pupil Allotment

Indiana's average per pupil expenditure, based on average daily membership (ADM) for public schools in 2005-2006, was \$ 8,793.<sup>24</sup> The amount of local per pupil funding that an alternative education program receives from the school corporation varies and is at the local corporation's discretion, provided that the amount is at least one-third of the amount that the school corporation receives from the

state tuition support grant.<sup>25</sup> Some school corporations provide alternative programs and schools in their district with the same per pupil state support tuition amount as they provide traditional schools.

### Funding for Education Options

The programs funded by Department of Education take various forms including alternative classrooms, school-within-a-school programming, separate alternative schools, and second or last-chance schools for disruptive students. To be eligible for the alternative education grant funding, the program must, "be an educational program for eligible students that instructs the eligible students in a different manner than the manner of instruction available in a traditional school setting." In this way, the IDOE emphasizes the type of programming or instruction provided that determines whether a program is considered to be an alternative program or school, rather than the characteristics of the students served.

The *Alternative Education Program Grants* provide extra per pupil funds for district-run alternative programs and schools to cover the additional costs associated with the delivery of alternative education programs, such as specialized materials, testing, field trips, and professional development. To qualify for this funding, local education agencies (LEAs) must apply for approval from the state department of education and are required to serve students enrolled or eligible to be admitted to Grades 6-12 who:<sup>26</sup>

The **Hope Education Center**, an alternative school within the Indianapolis Public Schools (IPS), offers adults and youth ages 16 and older with options for high school completion. Hope provides a flexible program of learner-centered opportunities to achieve basic and secondary level-academic, life, and workforce literacy skills for its students. Hope offers a special program for pregnant girls to support their staying in school to obtain a diploma. Hope is funded by IPS, with state alternative education funds and federal WIA funds (for services such as career guidance, occupational skills development, and other workforce preparation).

- Intend to withdraw or have withdrawn from school before graduation;
- Have failed to comply academically and would benefit from instruction different from that available in a traditional school;
- Are pregnant or parenting and unable to regularly attend a traditional school program;
- Are employed primarily to support the student or student's family and whose employment interferes with part of the instructional day; and/or
- Are disruptive (as specifically defined in Indiana Code 20-10.1-4.6-.6).

Under the Alternative Education Program Grants program, school corporations may receive up to \$750 for each full-time equivalent (FTE) student enrolled in an alternative education program or school within the district.<sup>27</sup> This grant requires a locality to match at least one-third of the amount of the state support grant per FTE student, but many local school corporations provide substantially more. The amount received depends on the number of students that participate in alternative education programming in a given year, but due to budget constraints, often does not equate to the full \$750 authorized by the legislature. The amount distributed to grantees per FTE in 2006 was \$550, with a total of \$6,193,500 distributed to approximately 199 school corporations with 238 programs.<sup>28</sup> Officials at the IDOE acknowledge that these grants are not enough to fund all of the programming required by the state, but note that many alternative programs and schools are resourceful in supplementing these funds by seeking additional private grants, accessing donations, using general fund dollars, or creating partnerships with universities to help provide the additional services needed to be an approved alternative program or school. The Alternative Education Grant is for one year only, but school corporations can apply to renew their grant each year.

### Charter Schools

The state of Indiana also funds charter schools, some of which provide suitable educational options for students who have not been successful in traditional schools. In fact, four of the alternative education programs funded by the state in FY 2006–2007 are operated by charter

Initial grant support from the Annie E. Casey Foundation enabled the Indianapolis Mayor's Office to leverage additional support for both the Mayor's Charter Office and individual charter schools. A total investment of \$450,000 by the Foundation to support the creation of a rigorous charter school accountability and monitoring system resulted in attracting \$18.4 million to support individual charter schools and another \$1.38 million to the Mayor's Charter Office. The Annie E. Casey Foundation also used a foundation investment tool called a program-related investment (PRI) to attract diverse resources totaling \$20 million to fund loans for new charter facilities.

schools. To qualify as an alternative program or school it must meet the same requirements as traditional schools in terms of rules for governance and admission of students. Currently there are 40 charter schools operating in Indiana and 10 more scheduled to open in fall of 2008.<sup>29</sup> The charters are in various parts of the state but tend to be most concentrated around Indianapolis, Gary/East Chicago, and Fort Wayne

The Indiana Code allows new charter schools to receive state per pupil funding based on its September Average Daily Membership (ADM) count and the per pupil state funding of the local education agency (LEA) in which the school is located.<sup>30</sup> In their first year, new schools receive the state support funding on a monthly basis starting in January. Each monthly payment factors in costs for state tuition support, special education, academic honors, and enrollment growth payments (not all sources of categorical state support are applicable for each charter school). In all years following its first year of operation, the charter school receives the state tuition support in the same way as traditional schools, with the amount calculated based on its ADM for the previous year. Charter schools also receive local tuition support from each student's county of legal residence, with the appropriate LEA general fund levying the required amount. Most charter schools are also eligible for other federal and state funds that are available to LEAs, such as Title I, Reading First, and others; in addition, all charters can access funding

from the Federal Public Charter Schools Grant program. Indiana is eligible for the U.S. Department of Education's State Charter School Facilities Incentive Grants Program because it matches these funds. By law the Indiana Department of Education is expected to identify and apply for all federal funds for charter schools for which it is eligible.

The *Charter School Advancement Account* enables a charter school to borrow from the common school fund to cover operational costs (in the case of a new school, which receives its first payment 4 to 5 months into the school year) other than construction or unexpected costs due to a 15 percent or greater increase in school enrollment. In 2006, 18 charter schools received loans totaling \$6,898,264 from the charter school Advancement account.

Charter schools may be authorized by either a governing body of local education agencies, a state educational institution that offers a four-year baccalaureate degree, or the executive of a consolidated city. The mayor of Indianapolis and Ball State University are among the current sponsors of charters. In fact, Indianapolis is currently the only place in the country where the mayor's office is authorizing charter schools for the district.<sup>31</sup> Mayor Peterson took this approach to stimulate change in a city with a troubled public school system and where the four-year graduation rate was 35% for the class of 2004. He can authorize five new schools a year and oversaw 16 charter schools serving 3,870 students in the 2006–2007 academic year. The racial composition of these charter schools closely matches that of Indianapolis Public Schools. The city now receives funding from the Annie E. Casey Foundation to build the infrastructure of the charter school office, institute the city's accountability and reporting system, and help finance school construction for Indianapolis charter schools.<sup>32</sup> Indianapolis' charter schools are held accountable by annual evaluations. In addition, the city's charter schools must administer the statewide standardized tests (ISTEP) and norm-referenced testing, undergo annual expert site visits (two per year during a school's

first two years), undergo a more extensive site visit every four years, and also reapply for their charters every seven years.

### **Adult Education**

The Indiana General Assembly provides an appropriation, in addition to the Workforce Investment Act (WIA) Title II (Adult Education and Family Literacy Act) funds, for basic skills education to individuals who have not received a high school diploma or recognized equivalent.<sup>33</sup> Indiana's Adult Basic Education programs serve individuals who are at least 16 years of age and "officially" withdrawn from school. The regional workforce investment boards use a competitive proposal process to award funds to youth service providers to deliver services to eligible youth. The funds are available locally to youth service providers for the delivery of services that reflect the ten WIA required program elements, which include alternative education offerings, tutoring, and dropout prevention services, and result in one of the four federally mandated outcomes: literacy skills, work-based learning, career development, and postsecondary readiness.

### Endnotes

- <sup>1</sup> Indiana Department of Education. (2008, January 22). *Indiana high school graduation rates released* [Press release]. Retrieved from <http://www.doe.in.gov/reed/newsr/2008/01-January/GradRate.html>
- <sup>2</sup> Lupold, L. L. (2007). *High school redesign options and choices*. [White paper]. Retrieved from Indiana Department of Education: [http://www.doe.in.gov/highschoolredesign/pdf/roundtable\\_publication.pdf](http://www.doe.in.gov/highschoolredesign/pdf/roundtable_publication.pdf)
- <sup>3</sup> Lupold, L. L., personal communication, May 1, 2008.
- <sup>4</sup> Zapf, J. S., Spradlin, T. E., & Plucker, J. A. (2006). Redesigning high schools to prepare students for the future: 2006 update. *Center for Evaluation & Education Policy: Education Policy Brief*, 4(6). Retrieved from [http://ceep.indiana.edu/projects/PDF/PB\\_V4N6\\_Spring\\_2006\\_High\\_School.pdf](http://ceep.indiana.edu/projects/PDF/PB_V4N6_Spring_2006_High_School.pdf)
- <sup>5</sup> Achieve, Inc. American Diploma Project. (2007, April). *Closing the expectations gap 2007: An annual 50-state progress report on the alignment of high school policies with the demands of college and work*. Retrieved from <http://www.achieve.org/files/50-state-07-Final.pdf>
- <sup>6</sup> Indiana's Education Roundtable. (2003). *Indiana's P-16 Plan for improving student achievement: Phase I* [White paper]. Retrieved from <http://www.edroundtable.state.in.us/pdf/P16/P-16plan.pdf>
- <sup>7</sup> Dounay, J. (2006, April). *Alignment of high school graduation requirements and state-set college admissions requirements* [White paper]. Retrieved from Education Commission of the States: <http://www.ecs.org/clearinghouse/68/60/6860.pdf>
- <sup>8</sup> Indiana Department of Education Division of Educational Options. (2007, June 24). *Alternative education programs*. Retrieved from <http://www.doe.in.gov/alted/altedlinkpg.html>
- <sup>9</sup> Indiana Department of Education. (2008, January 22). *Indiana high school graduation rates released* [Press release]. Retrieved from <http://www.doe.in.gov/reed/newsr/2008/01-January/GradRate.html>
- <sup>10</sup> Indiana Commission for Higher Education. (n.d.). *Indiana's Twenty-First Century Scholars program: A look at impact* (Higher Education Policy Brief).
- <sup>11</sup> Orr, C., personal communication, June 2, 2008.
- <sup>12</sup> Indiana House Enrolled Act 1794. (2005). Retrieved <http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2005&request=getBill&docno=1794>
- <sup>13</sup> Indiana House Enrolled Act 1347. (2006). Retrieved from <http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2006&request=getBill&docno=1347>
- <sup>14</sup> 2007 survey of Indiana school counselors highlights. (2007). Retrieved from Indiana Department of Education: <http://www.k12.in.us/reed/newsr/2008/01-January/CounselorsAtt2.pdf>
- <sup>15</sup> Indiana House Enrolled Act 1246. (2008). Retrieved from <http://www.in.gov/legislative/bills/2008/HB/HB2346.1.html>
- <sup>16</sup> Indiana Code 21-43-5. Retrieved from <http://www.in.gov/legislative/ic/code/title21/ar43/ch5.html>
- <sup>17</sup> Indiana House Enrolled Act 1246. (2008). Retrieved from <http://www.in.gov/legislative/bills/2008/HB/HB2346.1.html>
- <sup>18</sup> Orr, C., personal communication, June 5, 2008.
- <sup>19</sup> Indiana Code 21-43 Chapters 6, 7, 8. (2008). Retrieved from <http://www.in.gov/legislative/ic/code/title21/ar43>
- <sup>20</sup> Toutkoushian, R. K. & Michael, R. S. (2005). Demystifying school funding in Indiana. *Center for Evaluation & Education Policy: Education Policy Brief*, 3(2). Retrieved from [http://www.ceep.indiana.edu/projects/PDF/School\\_Finance\\_Policy\\_Brief.pdf](http://www.ceep.indiana.edu/projects/PDF/School_Finance_Policy_Brief.pdf)
- <sup>21</sup> Reed, S. (n.d.). *Digest of public school finance in Indiana: 2007-2009 biennium* [White paper]. Retrieved from Indiana Department of Education: [http://www.doe.in.gov/publications/pdf\\_finance/FinanceDigest07-09.pdf](http://www.doe.in.gov/publications/pdf_finance/FinanceDigest07-09.pdf)
- <sup>22</sup> Indiana Department of Education. (2007, June). *An overview of the 2008 basic grant* [White paper]. Retrieved from Indiana Department of Education Office of Financial Management, Analysis, and Reporting: <http://www.doe.in.gov/finance/07BudgetWorkshop/hineline2/2008%20basic%20grant%20overview.pdf>
- <sup>23</sup> Toutkoushian, R. K. & Michael, R. S. (2005). Demystifying school funding in Indiana. *Center for Evaluation & Education Policy: Education Policy Brief*, 3(2). Retrieved from [http://www.ceep.indiana.edu/projects/PDF/School\\_Finance\\_Policy\\_Brief.pdf](http://www.ceep.indiana.edu/projects/PDF/School_Finance_Policy_Brief.pdf)
- <sup>24</sup> U.S. Census Bureau. (2008). *Public education finances: 2006*. Retrieved from <http://ftp2.census.gov/govs/school/06f33pub.pdf>
- <sup>25</sup> Indiana Code Section 20-20-33. Retrieved May 22, 2008 from <http://www.in.gov/legislative/ic/code/title20/ar20/ch33.pdf>
- <sup>26</sup> Indiana Code Section 20-30-8. Retrieved May 22, 2008 from <http://www.in.gov/legislative/ic/code/title20/ar30/ch8.html>
- <sup>27</sup> Indiana Department of Education Division of Educational Options. (2007, June 24). *Alternative education programs*. Retrieved from <http://www.doe.in.gov/alted/altedlinkpg.html>
- <sup>28</sup> Reed, S. (n.d.). *Digest of public school finance in Indiana: 2007-2009 biennium* [White paper]. Retrieved from Indiana Department of Education: [http://www.doe.in.gov/publications/pdf\\_finance/FinanceDigest07-09.pdf](http://www.doe.in.gov/publications/pdf_finance/FinanceDigest07-09.pdf)

- <sup>29</sup> The Charter School Service Center. (n.d.) *Indiana Charter Schools*. Retrieved May 20, 2008 from <http://www.geofoundation.org/CSSC/charterschools.html>
- <sup>30</sup> Plucker, J. A., Ecks, S., Chang, Y., Benton, S., Trotter, A. et al. (2005, September 20). *Charter Schools in Indiana: Overview, funding, and federal expenditures* [White paper]. Retrieved from Center for Evaluation & Education Policy: [http://www.ceep.indiana.edu/projects/PDF/Special\\_Charter\\_Schools\\_in\\_Indiana\\_Overview.pdf](http://www.ceep.indiana.edu/projects/PDF/Special_Charter_Schools_in_Indiana_Overview.pdf)
- <sup>31</sup> Skinner, D. (2007). Indianapolis Mayor Bart Peterson: The Peyton Manning of charter schools. *Education Next*, 7(3). Retrieved from Hoover Institution: <http://www.hoover.org/publications/ednext/7558537.html>
- <sup>32</sup> Read, T. (2008). *Strategic funding attracts co-investment* [White paper]. Retrieved from Annie E. Casey Foundation: [http://www.aecf.org/~media/PublicationFiles/6Coinvestment\\_r10.pdf](http://www.aecf.org/~media/PublicationFiles/6Coinvestment_r10.pdf)
- <sup>33</sup> Haffner, J. L., personal communication, May 23, 2008.



# Massachusetts

## Secondary Education Reform Context

- **1993 Education Reform Act** required improvements in accountability for student learning; greater and more equitable funding to schools; and state-wide standards for students, educators, schools, and districts.
- Massachusetts Department of Elementary and Secondary Education (DESE) offers **multiple learning options** ranging from charter schools and private postsecondary vocational schools, to community service learning and adult basic education (ABE) programs.
- **Pilot School model** was recently expanded; it was first developed in Boston, and is characterized by small, personalized, vision-driven schools with flexibility in budget, staffing, curriculum and assessment, governance, and schedule.

## Dropout Prevention and Recovery Efforts

- **DESE workgroup** will examine how to improve policies and practices, better allocate resources to reduce dropout rates; will make recommendations to the Commissioner with expectation that State Board of Education FY 2010 budget will reflect workgroup recommendations.
- **Pathways to Success by 21 (P21)** is an interagency committee including the Massachusetts Departments of Workforce Development, Elementary & Secondary Education, and Health and Human Development, which:
  - Promotes the alignment of youth services throughout the state, particularly for youth most "at risk;"
  - Provides grants to cross-system partnerships to create local plans for coordinating youth services for vulnerable youth ages 16 to 24 who are out-of-school, without diplomas, unemployed, or

lack the necessary skills to be successful workers and citizens; and

- Plans to develop framework for how state agencies can address state dropout rate.
- DESE is working to **identify promising practices** in Massachusetts districts and other states with low dropout rates; it is hosting several **events and conferences** for Massachusetts policymakers on various dropout prevention studies and strategies.
- Legislators are considering SB 2462, "**An Act to Improve Dropout Prevention and Reporting of Graduation Rates,**" which calls for increased coordination and collaboration among stakeholders to help lower the dropout rate by 50% by 2012, increasing re-enrollment of dropouts into education programs, and establishing a Graduation and Dropout Commission to make additional policy recommendations.

## State Funding for Education Options

- **Charter schools** receive per pupil funding comparable to public schools.
- State **Alternative Education Grant program** funds the establishment and operation of alternative education programs.
- **Education options** financed by the state include charter schools, pilot schools, alternative education programs or schools, career and technical education programs at public high schools, and community service learning.
- **School choice** enables students to attend schools in other communities; sending district pays tuition to receiving district.

---

# *Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth in Massachusetts*

## Secondary Education Reform Context

Massachusetts operates approximately 1876 public schools in 500 school districts.<sup>1</sup> The four-year graduation rate for the 2007 cohort in Massachusetts was 81%, with 6.6% of students still in school, 9.4% having dropped out, and the remainder either completing the GED, expelled, or completing without graduating.<sup>2</sup> For urban students in Massachusetts, however, the four-year graduation rate was only 63.9%, indicating a strong need for additional education options in the state's urban areas.

In 1993, Massachusetts passed the Education Reform Act, calling for improvements in accountability for student learning; greater and more equitable funding to schools; and statewide standards for students, educators, schools, and districts over a 7-year period.<sup>3</sup> Significant changes in accountability included requirements for a school council in every school, continuing education for educators, increased principal authority, better-defined roles for school committees, measureable statewide standards for students and schools, and the implementation of “high stakes” testing. In 2001, Massachusetts required students to pass the Massachusetts Comprehensive Assessment System (MCAS) exam in order to earn a high school diploma.

Massachusetts is working to improve outcomes for all students and has many options available to meet diverse educational needs. The Massachusetts Department of Elementary and Secondary Education (DESE) outlines various learning options available to students in the commonwealth including alternative programs and schools, career and technical education programs, charter schools, community service learning models, DESE-approved or regulated private placements and educational collaborative for students with disabilities and/or desiring vocational training, and General Education Development (GED) testing and preparation.<sup>4</sup> Massachusetts’ **School Choice** program allows parents to send their children to schools in communities other than the city or town in which they reside. Tuition is paid by the sending district to the receiving district. However, districts may choose not to enroll school choice students if space is unavailable.

Boston is a leader within the commonwealth for innovative education practices and providing multiple educa-

tion options for students including small (comprehensive) schools, charter schools, pilot schools, and alternative education. BPS’ Office of Alternative Education oversees diploma-granting alternative schools, GED preparation programs, transitional programs, middle school programs, career exploration programs, and MCAS preparation programs. A 1987 agreement between BPS and the mayor’s office first established funding for alternative education programs in Boston.<sup>5</sup> Since that time, in recognition of the fact that one size does not fit all, the school district has worked collaboratively with community-based organizations and city agencies to develop programs in a variety of settings including settlement houses, neighborhood agencies, and community colleges.

### **Horace Mann and Commonwealth Charter Schools**

Massachusetts has two kinds of charter schools: Horace Mann and Commonwealth charter schools.<sup>6</sup> Both types of charters operate under the same set of rules except that a Horace Mann charter school must have its charter approved by both the local school committee and the local teachers’ union in addition to the state Board of Education; its employees participate in and receive benefits established by the local union; and it may be exempt from certain provisions in local collective bargaining agreements. All charters are granted by the Board of Education and must be renewed every five years.

### **Pilot Schools**

In 1995, through a partnership between the mayor, the office of the school superintendent, the school committee, and the teachers union, Boston created its first Pilot Schools.<sup>7</sup> Until 2006, Boston was the only district in the country with Pilot schools, which are released from district mandates and union work rules to enable them to have greater control over the budget, staffing, curriculum and assessment, governance, and schedule to provide education for their students as well as serve as research and development sites for the district.<sup>8</sup> More recently, based on the Boston model, three schools located in Fitchburg and Springfield, Massachusetts, and another in Boston have converted to Commonwealth Pilot Schools under similar district-teachers union agreements.<sup>9</sup>

Pilot Schools are designed to serve the same student populations as the standard district schools and operate with a per pupil budget similar to other BPS schools, but have several defining features: they are accountable and evaluated against a set of consistent benchmarks every five years; they are small (enrolling 450 students or less) and personalized to respond to individual students' learning needs; they each have an articulated vision of educating their students and can hire staff members who will support that vision; and they are focused on equity.<sup>10</sup> Compared to the district average, Pilot Schools have low class sizes, low overall student-teacher ratios, longer instructional periods, significant time devoted to collaborative faculty planning, a nurturing culture, and graduation by demonstrated mastery.

Currently, in Boston there is a network of 20 Pilot schools (two of which are Horace Mann charter schools) within the BPS district. An evaluation of the 10 Pilot high schools—two of which are specifically geared toward over-age students—reveals the following:

- Boston's Pilot high school students outperform those from other non-exam\* BPS schools on every standard measure of engagement and performance, for every racial, economic, and academic subgroup examined in the evaluation.
- The four-year graduation rate of students from Pilot high schools was 75.7% compared to 52.2% for BPS—a difference of 23 percentage points.
- Although Pilot high schools have a lower enrollment of limited English proficient students and students with moderate to severe disabilities, those students perform better in Pilot high schools than in district schools on all outcomes measured—9th grade attendance, 9th grade promotion, and 10th grade MCAS exam pass rates.

---

\* Exam schools are selective BPS schools where admission is based solely on grade point average and results of the Independent School Entrance Examination (ISEE).

### Alternative Education

The DESE defines alternative education as follows:

Alternative Education is an initiative within a public school district, charter school, or educational collaborative established to serve at-risk students whose needs are not being met in the traditional school setting.

For the purposes of this definition, Alternative Education does not include private schools, home schooling, General Educational Development (GED) services, or gifted and talented programs. Alternative Education may serve some students with disabilities but is not designed exclusively for students with disabilities.

Alternative Education may operate as a program or as a separate self-contained school:

- Alternative Education programs may function within a single school or be a program affiliated with one or more schools or school districts. Alternative Education programs must be affiliated with at least one school that has a school code assigned by the Department.
- Alternative Education schools that operate as self-contained public schools must comply with Massachusetts laws and regulations that guide the operation of schools in the Commonwealth and must be assigned a school code by the Department.

Students who may benefit from an Alternative Education include those who are pregnant/parenting, truant, suspended or expelled, returned dropouts, delinquent, or students who are not meeting local promotional requirements.<sup>11</sup>

### Other Secondary Education Options in Massachusetts

No Massachusetts law or regulation has established a maximum age for a student to enroll in the public school system.<sup>12</sup> Local school committees must establish the maximum allowable age for school enrollment, which cannot be lower than the compulsory age of attendance (age 16). However, school districts should enroll students through at least age 21 who have not yet earned a high school diploma. If an older student wants to earn a diploma but is unable to enroll in a public school, that student may still



**Another Course to College**, a Boston public high school, is one of 38 schools that have redesigned their grade structure to allow struggling students to graduate at a slower pace by adding a “sub-10th grade.” This extra year between the 9th and 10th grades allows students to repeat only the courses they failed, rather than the whole year, and wait a year to take the 10th grade MCAS exam since they are not yet fully-fledged 10th grader students. Students in such programs have taken to calling themselves “freshmores” or “sophmen,” shirking the stigma some may feel if they had to repeat 9th grade. School leaders point to the MCAS pass rates of previous freshmores as a sign of the program’s success.

have other options. DESE’s Adult and Community Learning Services (ACLS) unit offers GED testing and preparation as well as no-cost adult basic education (ABE) to adults in Massachusetts with skill levels below 12th grade, including programming for basic literacy (for native and non-native English speakers), numeracy, workplace education, family literacy, and adult diploma programs.<sup>13</sup> ACLS uses both state and federal grants to fund a broad network of programs and providers including local school systems, community colleges, community-based organizations, libraries, volunteer organizations, correctional facilities, and others.

In addition to the options mentioned above, Massachusetts students pursue other secondary education options including redesigned small schools; small learning communities/pathways; career and technical education high schools; exam schools; community-based education; GED and career exploration programs; adult education centers; and workforce development programs (including job training and transitional employment/employment assistance).

## Dropout Prevention and Recovery Efforts

Coinciding with the release of its annual report on high school dropouts for the 2006-2007 school year, the DESE announced specific steps it plans to take to address the dropout crisis.<sup>14</sup> The first step is convening a Department workgroup to examine how its units can work together to improve policies and practices, as well as better allocate existing resources to reduce the number of dropouts. This workgroup will report its findings to the Commissioner of Education, with the expectation that the State Board of Education’s FY 2010 budget will reflect the workgroup’s recommendations. The DESE also plans to work with Pathways to Success by 21 (see P21 details below), an existing interagency committee, to develop a framework for how state agencies can address the state’s graduation rate. The DESE has already begun two research projects to identify promising practices by 1) reviewing the actions of states with low dropout rates to inform possible recommendations for changes to Massachusetts laws, regulations, and policies, and 2) identifying districts within Massachusetts with relatively low dropout rates. In addition, the DESE, The Rennie Center for Education Research and Policy, Jobs for the Future, and the Boston Private Industry Council are partnering to provide several events for policymakers on dropout prevention in the spring and fall of 2008, including a presentation on data from large-scale dropout studies conducted in major U.S. cities; a conference that will focus on developing a comprehensive, intergovernmental, child-focused approach to providing the social and emotional supports needed to enable students to stay in school and strive for proficiency; and a conference on “promising practices” for early interventions with at-risk students and programs to assist students who are not on track to graduate.

At present, the state committee on Senate Ways and Means is deliberating SB 2462, “An Act to Improve Dropout Prevention and Reporting of Graduation Rates,” which calls for increased coordination and collaboration among community-based organizations, school districts, businesses, higher education institutions, the juvenile justice system, community leaders, parents, and students to help lower the dropout rate and to increase re-enrollment of dropouts into education programs.<sup>15</sup> It sets an

The **Boston Youth Transitions Project**, a partnership between Boston Public Schools and the Boston Private Industry Council (which serves as the Boston Workforce Investment Board), tracks down high school students and convinces them to return to school. In 2007, outreach specialists contacted 1,600 youth who had dropped out of school, 81 of whom ultimately re-enrolled. Outreach specialists emphasize high school diplomas over GEDs, link with social service and mental health organizations to support returning students, and include smaller diploma-granting schools like the Boston Adult Technical Academy among education options they describe to youth. The Boston Youth Transitions project is also the P21 team for the Boston work-force area.

aggressive goal of reducing the state dropout rate by 50% by the year 2012 and aims to establish a Graduation and Dropout Commission that will make recommendations regarding:

- Raising the compulsory attendance age from 16 to 18 years;
- Expanding the definitions of “Structured Learning Time” to include internships and work-study programs;
- Developing a reimbursement mechanism for districts sending students to alternative education programs;
- Providing financial incentives to reward districts for effectively graduating at-risk students and recovering high school dropouts; and
- Allocating other funding that may be necessary to implement dropout prevention and recovery programs statewide.

This bill would require school districts with an annual dropout rate greater than 5% to develop a district-wide action plan designed to effectively track students and reduce dropout rates. In addition, it would establish a “Dropout Prevention and Recovery Grant Program” to provide financial support to districts to implement early indicator systems to identify students at risk of dropping out, create capacity for dropout outreach and referral, and provide funds to programs that offer alternative routes to a diploma for returning students.

## State Funding for Education

### State Per Pupil Allotment

In the early 1990’s, Massachusetts developed a formula to define an adequate spending level for each school district called a “foundation budget.”<sup>16</sup> In FY 2008, the foundation budget average was \$9,332 per pupil, but ranged from \$7,728 to \$11,082 for traditional K-12 education and from \$13,467 to \$15,758 for vocational education. Since 1993, when the state’s education reform law was enacted, Massachusetts has used a formula to ensure what it considers adequate and equitable K-12 funding.<sup>17</sup> The Chapter 70 program is the source of state aid to public elementary and secondary schools to ensure they have enough funding to meet the spending requirement of the foundation budget.<sup>18</sup> In addition to providing state aid to support school operations, the state also establishes a minimum amount each school district must spend and minimum requirements for each municipality’s share of school costs. The formula requires a minimum local contribution from each town and city; for FY 2008 the local contribution totaled 55.7% of the state-wide foundation budget with state aid covering the remaining 44.3%. The Chapter 70 formula takes into account the number of students in primary vs. secondary grades of school, whether students are in a limited English program, and whether a school is providing vocational education, which can be more expensive to operate.<sup>19</sup> The formula also factors in the additional resources needed to educate students in special education or from low-income families.

For FY 2007, the average per pupil expenditure in Massachusetts was \$11,868, but ranged from a low of \$8,089 to a high of \$26,971.<sup>20</sup> Charter schools in Massachusetts are funded in a manner similar to traditional public schools using a formula to determine a per pupil allocation. Horace Mann charter schools are funded through the local school district and funding is consistent with the allocation of other schools in the district.<sup>21</sup> Commonwealth charter schools receive tuition payments from each school district whose students attend the charter school based on a formula that takes into account the per pupil expenditure in the sending district.

### MCAS Preparation and Remediation

The Education Reform Law requires students to pass the Grade 10 MCAS tests in English Language Arts, Mathematics, and Science and Technology/Engineering as one condition of eligibility for a high school diploma.<sup>22</sup> In order to ensure that students receive the necessary preparation and remediation to pass these requirements, the Massachusetts Department of Education provides multiple grant opportunities that fund preparation, remediation and testing for students who need assistance to pass the MCAS tests. These *Academic Support Grants* are offered to a range of service providers in a variety of program settings including school districts, community colleges, institutions of higher education, and workforce development agencies, including workforce investment boards and One Stop career centers, as well as community-based organizations.<sup>23</sup>

For example, competitive academic support services grants are available to fund *Work and Learning* programs, offered both during the school year and in the summer.<sup>24</sup> School districts, charter schools, and other organizations can apply for these grants to provide quality Work and Learning instruction in English language arts and mathematics to students in the Classes of 2003–2009 who have not passed the 10th grade MCAS exam required for high school graduation. These programs target students who have scored extremely low on the 10th grade MCAS and must make significant progress in order to pass, students with limited English proficiency,

and students who are homeless, in alternative education programs, or have disabilities. Programs must provide intensive, small-group or individual instruction that connect with structured internships for all participating students. For FY 2008, grant awards ranged from \$10,000 to \$100,000 to support 961 high school students in 10 school year programs and \$11,640 to \$143,460 for 13 summer programs providing services to 1,031 high school students.<sup>25, 26</sup>

Another grant program, designed to provide comprehensive intervention to help students pass the 10th grade MCAS on their first attempt, is the *Collaborative Partnerships for Student Success*.<sup>27</sup> Funds are used to supplement existing district resources to provide small group instruction and supports to help prepare students in the Class of 2012 for the transition from middle to high school and to support students in the Classes of 2010 and 2011 during their early high school years to become successful high school students and become prepared for higher education and careers. These grants are available for both school year and summer programs. For FY 2008, \$352,958 was awarded to 15 programs to serve approximately 950 students, with awards ranging from \$12,000 to \$43,907; 14 school year programs were awarded grants ranging from \$3,000 to \$36,000, totaling \$175,161 to serve approximately 485 students.

### Funding for Education Options

There are approximately 133 alternative education programs and schools in the state.<sup>28</sup> Boston Public Schools' (BPS) education options include both alternative education schools and programs operated by the district personnel (internal programs) and those operated by community based organizations (external programs). Boston Public Schools operates four alternative schools which it funds in the same way as traditional public schools, through per pupil allocations. According to the Director of the BPS Office of Alternative Education, the amount of funding or in-kind resources is determined by the district.<sup>29</sup> In most cases, the externally operated alternative schools receive in-kind resources such as teachers who are assigned and paid by the school district.<sup>30</sup> For example, an alternative school with 60 students (based on the average daily attendance calculation) may receive support for four teachers

One local Work and Learning grantee, the Boston Private Industry Council, provides a program called **Classroom at the Workplace** to assist young adults who have not passed the MCAS to improve their reading, writing, and mathematics skills. Classroom at the Workplace combines 90 minutes of classroom time with a summer or after-school job. Classes are taught by Boston Public School teachers and offered at the work site for 90 minutes, 5 days per week in conjunction with summer jobs and as a once per week class for those who are working part-time in afterschool hours during the school year.

from the district.<sup>31</sup> They may also receive support and resources for teachers, which include some professional development opportunities that are offered to all district teachers. Funds for other purposes are provided on a case-by-case basis. State education funds go to the home district which in turn contracts with external programs. The home district remains accountable for students' outcomes and eventual graduation, so the district retains some of the funding for administrative purposes. Students in external programs are awarded their diploma by the home school district.

In 2004, the Massachusetts Legislature passed "An Act Establishing an Alternative Education Grant Program" creating the Alternative Education Grant Program and Trauma-Sensitive Schools Grants.<sup>32</sup> **Alternative Education Grants** funds are used to establish middle school- and high school-level district alternative education programs or interdistrict regional alternative education collaborative, which provide services to students suspended or expelled from school.<sup>33</sup> The grants also encourage the expansion of existing programs to provide alternative education programs for students who are at risk of educational failure due to dropping out of school or truancy. Funds can be used for in-school and out-of-school approaches that prioritize:

- Small class sizes;
- Individualized instruction;
- Flexible scheduling;
- Family-based approaches;
- Self-improvement, behavior management, and life skills training;
- Providing a comprehensive array of social services to support students with issues that contribute to school failure, excessive absenteeism, truancy, and dropping out of school; and
- Supporting students and teachers during the transition of students back to general education classrooms.

In FY 2008, \$185,000 in competitive grants were awarded to three districts to support approximately 57 students; awards ranged from \$40,000 to \$75,000.<sup>34</sup> Grants can be awarded for up to three years with continuation grants, with two additional years of funding possible based on the applicant's demonstration of a significant

commitment to the long-term sustainability of a successful project.<sup>35</sup> In addition to the three competitive grants funded in FY 2008, the Department funded 11 continuation grants totaling \$514,954. According to the DESE, school districts that apply for the above Alternative Education Program grant must demonstrate that they are providing a match of in-kind and/or cash expenditures; however, there are no requirements regarding the amount of the match to be provided. Of the 133 alternative programs and schools in the state, the majority are funded within a local district budget without support from state Alternative Education Grant funds.

The **Trauma-Sensitive Schools/Safe and Supportive Learning Environment** grant program is intended to fund programs within schools that support the individual needs of traumatized students and to increase staff capacity to create safe and supportive school environments for all students.<sup>36</sup> Public school districts and charter schools are eligible to receive the Safe and Supportive Schools Grant funding if they have a significant number of students whose classroom behavior interferes with learning due to the traumatic effects of being exposed to violence and/or have a documented history of violent incidences. The funds may be used to develop and establish in-school programs to provide empirically-validated interventions to address the educational and psychosocial needs of students whose behavior interferes with learning.<sup>37</sup> In the FY 2008, competitive grants were awarded to three recipients/school districts with awards ranging from \$15,000 to \$25,000; continuation grants were awarded to 23 school districts and charter schools.<sup>38, 39</sup>

### Dual Credit/Dual Enrollment

Massachusetts has mechanisms in place that allow high school students to simultaneously earn credits toward a high school diploma and a postsecondary degree or certificate; however, there is currently no state funding for dual enrollment programs.<sup>40</sup> Many individual districts have established agreements with colleges (such as the Gateway to College program at Mount Wachusett Community College) and the former Acting Commissioner of Education had requested \$4 million for FY 2009 to support dual enrollment.<sup>41, 42</sup>



### Cross-system Collaboration

Created in 2005, *Pathways to Success by 21 (P21)* is a statewide initiative developed collaboratively by the Massachusetts Executive Office of Labor and Workforce Development, Department of Elementary and Secondary Education, and the Executive Office of Health and Human Services (EOHHS) to promote the alignment of youth services throughout Massachusetts, particularly for those young people considered most “at risk.”<sup>43</sup> The Massachusetts Executive Office of Labor and Workforce Development allocated \$320,000 in discretionary funding in the first year of P21 to provide grants to local cross-system partnerships to create local plans for coordinating youth services for vulnerable youth ages 16 to 24 who are out-of-school, without a high school credential, unemployed, or lack the necessary skills to be successful workers and citizens.

By convening key stakeholders and leaders across various systems at the state, regional and local levels, the initiative aims to find ways to:

- Increase the number of vulnerable young people succeeding in high school, postsecondary education and training, and the labor market;
- Decrease disparities along key indicators for racial minorities, low income, foster and court-involved youth;
- Re-align state and local resources and programs to more effectively serve youth; and
- Create new investment in vulnerable youth from federal and foundation sources.

The P21 initiative awards grants by harnessing funds from the Massachusetts Department of Workforce Development and U.S. Department of Labor Employment and Training Administration’s Workforce Investment Act Incentive Grants. These grants serve out-of-school youth by increasing slots for out-of-school youth in existing programs and engaging in sustainable system-building activities with the cross-system partners. Required partners include representatives from the DESE-funded ABE providers, public two-year colleges with a Perkins Act Local Plan in the region, EOHHS agencies, Workforce Investment Boards/Youth Councils, and One-Stop Career Centers. In 2008, the governor added an additional \$840,000 to the P21 grant.<sup>44</sup> P21 also plans to use

foundation grants to build on work done in Massachusetts as part of the U.S. Department of Labor Employment and Training Administration’s “Multiple Education Pathways Blueprint Grants.”

### Funding for Charter Schools

Some alternative education programs are also charter schools. Charter schools in Massachusetts are funded in a similar manner to traditional public schools using a formula to determine a per pupil allocation.<sup>45</sup> The tuition for Commonwealth charter schools is calculated using the Chapter 70 Foundation Aid formula. The base amount is adjusted by the percentage of “above foundation” spending of each charter school student’s sending district, and a flat per pupil facilities aid amount. The DESE requires that the funding of Horace Mann charter schools be determined annually by the local school committee and managed by the superintendent and the school committee of the district in which the school is located.

According to Massachusetts General Law, no more than 120 charter schools may be approved for operation in the state at any time; currently there are 61 charter schools operating in the state.<sup>46, 47</sup> Out of concern for maintaining adequate funding for traditional public

**Lowell Middlesex Academy Charter School (LMACS)** is a high school specifically designed for students ages 16 to 21 in Lowell and surrounding communities. What started as a dropout recovery program has grown to a comprehensive, non-leveled high school serving youth who have previously left school prior to graduation or students at risk of dropping out. LMACS admits students three times a year at the start of each trimester. Coursework is based on the Massachusetts Curriculum Frameworks and enhanced by psycho-educational courses and groups, a school-to-work component, daily advising, and dual-enrollment courses at Middlesex Community College. All students have Individual Learning Plans, participate in internships, and complete nonviolent conflict resolution training. The school also has high expectations for family involvement.

schools, the amount of public school district funding in any given fiscal year that can be allocated to charter school tuition is limited to no more than nine percent of the district's net school spending.

### Other Public Funding Sources

According to the DESE, alternative education programs and schools are not restricted from receiving other state grants, such as funding for serving special education students. They are also eligible to receive federal Title I, Title IVB and supplemental education services funding under the No Child Left Behind Act (NCLB), as well as federal Learn & Serve America grants and Workforce Investment Act (WIA) Youth Services resources. Some alternative education programs and schools, like those in Boston, may receive financing from local city funding sources. Some funding sources that alternative education programs tap into include:

- **21st Century Community Learning Centers (CCLC) grants** (federal)—Nearly \$14.3 million was awarded for FY 2008 to 43 districts to support 179 sites under Title IVB of NCLB.<sup>48</sup> Grants are awarded on a competitive basis for up to five years. In FY 2009, approximately \$16 million will be awarded through a combination of competitive and continuation grants to establish or expand community learning centers that operate during out-of-school hours to provide students with academic enrichment opportunities and can include literacy and related educational development to these students' families.
- **Learn & Serve America grants** (federal)—These grants of up to \$7000 support the institutionalization and sustainability of district-wide Community Service-Learning (CSL).<sup>49</sup> Priority is given to schools or districts that have low graduation rates, serve low-income or at-risk students, and integrate CSL methodologies into other educational initiatives. Grantees must provide 125% in-kind or cash match.
- **Workforce Investment Act funding** (federal)—Funds are available locally to youth service providers for the delivery of services that reflect the ten WIA required program elements, which include alternative education services, tutoring and dropout prevention services, and result in one of the four federally mandated outcomes: literacy skills, work-based learning, career development, and postsecondary readiness.
- **Funding for Court-Involved Youth**—The Massachusetts Department of Youth Services (DYS), has invested \$21 million over five years to improve its education services for committed youth and to increase the educational success of youth transitioning back into the community. For example, DYS, along with Boston Public Schools, cofunds the Community Transition School, a school for those youth who have been adjudicated and are transitioning out of a treatment facility and back into the school system. Boston's Youth Options Unlimited (Y.O.U.) program for court-involved youth ages 14 to 24 is funded with state and local resources and is operated by the Boston Office of Jobs and Community Services (JCS), a division of the Boston Redevelopment Authority. Y.O.U. provides free services to help youth earn a GED or high school diploma, get job training or job placement assistance, learn basic computer skills, prepare for a college entrance test, or apply for entry to college or a job training program.
- **McKinney-Vento Homeless Education Grant Program** (federal)—The Massachusetts Department of Social Services offers these funds to programs that ensure homeless students enroll in, attend, and have the opportunity to succeed in school. The funds may be used to provide tutoring, supplemental instruction, and other educational services to help homeless students meet the same academic standards as other students. The funds may also be used to provide a wide range of services and support for both academic and nonacademic purposes to ensure the engagement and success of homeless students.
- **Massachusetts Department of Transitional Assistance (DTA)**—Using a combination of federal (including TANF) and state appropriated funds, DTA provides a variety of services and support to pregnant and parenting young women ages 14 to 22 receiving public assistance to earn a GED or high school diploma and access training and placement in a job or postsecondary training or education program through its Young Parents Program (YPP) grants.<sup>50</sup>

## Endnotes

- <sup>1</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Public School Districts*. Retrieved July 9, 2008 from <http://profiles.doe.mass.edu/home.asp?mode=ot&ot=5&o=0>
- <sup>2</sup> Massachusetts Department of Elementary and Secondary Education. (2008, March 21). *High school dropouts 2006–07: Massachusetts Public Schools*. Retrieved from <http://www.doe.mass.edu/infoservices/reports/dropout/0607/summary.pdf>
- <sup>3</sup> Massachusetts Department of Elementary and Secondary Education. (1997). *Education reform progress report*. Retrieved from <http://www.doe.mass.edu/edreform/edreformreport/erprogrpt597-1.html>
- <sup>4</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Family & Community: Alternative Learning Options*. Retrieved May 2, 2008 from [http://www.doe.mass.edu/FamComm/f\\_altd.html](http://www.doe.mass.edu/FamComm/f_altd.html)
- <sup>5</sup> Boston Public Schools. (2006, September). *Portfolio of Alternative Schools and Programs*. Boston: Author.
- <sup>6</sup> Massachusetts General Law—Chapter 71, Section 89: Commonwealth charter schools; Horace Mann charter schools; applications; enrollment; employees; funding. Retrieved June 20, 2008 from <http://www.mass.gov/legis/laws/mgl/71-89.htm>
- <sup>7</sup> Center for Collaborative Education. (2007). *Strong results, high demand: A four-year study of Boston's Pilot High Schools*. Retrieved from <http://www.cce.org>
- <sup>8</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *School and district accountability. Restructuring & redesign. 2007 guidelines for Commonwealth Pilot Schools option*. Retrieved July 10, 2008 from <http://www.doe.mass.edu/sda/redesign/guidelines.html?section=all#>
- <sup>9</sup> Nellhaus, J. (2007, September 18). *Commonwealth Pilot Schools update* [memo]. Retrieved from <http://www.doe.mass.edu/boe/docs/0907/co-pilot.html>
- <sup>10</sup> Massachusetts Department of Elementary and Secondary Education. (2007). *2007 Guidelines for Commonwealth Pilot Schools option*. Retrieved from <http://www.doe.mass.edu/sda/redesign/guidelines.html>
- <sup>11</sup> Massachusetts Department of Elementary and Secondary Education. (2008, January 2). *About alternative education: Massachusetts alternative education definition*. Retrieved from <http://www.doe.mass.edu/altd/about.html?section=definition>
- <sup>12</sup> Curtin, J., personal communication, June 17, 2008.
- <sup>13</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Adult and Community Learning Services (ACLS)*. Retrieved May 16, 2008 from <http://www.doe.mass.edu/acls/#>
- <sup>14</sup> Nellhaus, J. (2008, March 21). *School year 2006–2007 dropout report and initiatives to reduce the dropout rate* [memo]. Retrieved from Massachusetts Department of Elementary and Secondary Education: <http://www.doe.mass.edu/boe/docs/0308/item1.html>
- <sup>15</sup> Massachusetts Senate Bill, No. 2462. Retrieved May 6, 2008 from <http://www.mass.gov/legis/bills/senate/185/st02/st02462.htm>
- <sup>16</sup> Massachusetts Department of Elementary and Secondary Education. (2008, March). *The Massachusetts foundation budget*. Retrieved from [http://finance1.doe.mass.edu/chapter70/chapter\\_cal.pdf](http://finance1.doe.mass.edu/chapter70/chapter_cal.pdf)
- <sup>17</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *School finance: Chapter 70 program. Proposed Chapter 70 Aid and required contribution calculations*. Retrieved May 6, 2008 from [http://finance1.doe.mass.edu/chapter70/chapter\\_08\\_white.html](http://finance1.doe.mass.edu/chapter70/chapter_08_white.html)
- <sup>18</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Chapter 70 Program*. Retrieved June 23, 2008 from <http://finance1.doe.mass.edu/chapter70/>
- <sup>19</sup> Massachusetts Department of Education. (2008). *The Massachusetts foundation budget*. Retrieved from [http://finance1.doe.mass.edu/chapter70/chapter\\_cal.pdf](http://finance1.doe.mass.edu/chapter70/chapter_cal.pdf)
- <sup>20</sup> Massachusetts Department of Elementary and Secondary Education. (2008). *FY 07 preliminary expenditures per pupil, all funds, summary by function*. Retrieved from [http://finance1.doe.mass.edu/statistics/function07\\_note.html](http://finance1.doe.mass.edu/statistics/function07_note.html)
- <sup>21</sup> Massachusetts Department of Education. (n.d.). *Education laws and regulations—603 CMR 1.00 Section 1.08: Charter school funding*. Retrieved May 7, 2008 from <http://www.doe.mass.edu/lawsregs/603cmr1.html?section=08>
- <sup>22</sup> Massachusetts Department of Education. (n.d.). *Massachusetts Comprehensive Assessment System: About the MCAS*. Retrieved May 7, 2008 from <http://www.doe.mass.edu/mcas/about1.html>
- <sup>23</sup> Massachusetts Department of Education. (n.d.). *Moving ahead—Pathways to Success on the MCAS: You can make it happen!* Retrieved May 5, 2008 from <http://www.doe.mass.edu/as/pathways/default.html>
- <sup>24</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Competitive academic support services work and learning programs*. Retrieved June 10, 2008 from [http://finance1.doe.mass.edu/Grants/grants08/rfp/596\\_597.html](http://finance1.doe.mass.edu/Grants/grants08/rfp/596_597.html)
- <sup>25</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Fund code: 596. Competitive academic support services Work and Learning programs school year program*. Retrieved June 10, 2008 from <http://finance1.doe.mass.edu/Grants/grants08/awards/596.html>

- <sup>26</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Fund code: 597. Competitive academic support services Work and Learning programs summer program, 2008*. Retrieved June 10, 2008 from <http://finance1.doe.mass.edu/Grants/grants08/awards/597.html>
- <sup>27</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Fund Code: 592. Collaborative Partnerships for Student Success (Summer Program, 2008)*. Retrieved June 23, 2008 from <http://finance1.doe.mass.edu/grants/grants08/awards/592.html>
- <sup>28</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Alternative education. Massachusetts alternative education programs*. Retrieved June 10, 2008 from <http://www.doe.mass.edu/alted/programs.asp>
- <sup>29</sup> Jackson, P., personal communication, November 28, 2006.
- <sup>30</sup> Jackson, P., personal communication, November 28, 2006.
- <sup>31</sup> Jackson, P., personal communication, July 21, 2008.
- <sup>32</sup> Massachusetts General Law—Chapter 69, Section 1N: Alternative education grant program. Retrieved March 28, 2008 from <http://www.mass.gov/legis/laws/mgl/69-1n.htm>
- <sup>33</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Alternative Education. Grants and Funding. Legislation and Program Definition*. Retrieved June 23, 2008 from <http://www.doe.mass.edu/alted/grants.html>
- <sup>34</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Fund Code: 790-B. Alternative education program for suspended and expelled students and other at-risk students*. Retrieved June 23, 2008 from <http://finance1.doe.mass.edu/grants/grants08/awards/790B.html>
- <sup>35</sup> Curtin, J., personal communication, July 7, 2008
- <sup>36</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2009. Safe and supportive learning environments—competitive. Fund code: 791-B*. Retrieved June 23, 2008 <http://finance1.doe.mass.edu/Grants/grants09/rfp/791B.html>
- <sup>37</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Fund code: 791-B. Safe and supportive learning environments competitive*. Retrieved February 22, 2008 from <http://finance1.doe.mass.edu/grants/grants08/awards/791B.html>
- <sup>38</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Safe and supportive learning environments—competitive. Fund Code: 791-B*. Retrieved June 23, 2008 from <http://finance1.doe.mass.edu/Grants/grants08/rfp/791B.html>
- <sup>39</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Trauma-sensitive schools. Grant recipient list: Fund code 791-A. FY2008*. Retrieved June 20, 2008 from [http://www.doe.mass.edu/tss/fc791A\\_recipient.html?section=fy08#](http://www.doe.mass.edu/tss/fc791A_recipient.html?section=fy08#)
- <sup>40</sup> Massachusetts Department of Elementary and Secondary Education. (2008, March 12). *Questions and answers: Massachusetts high school program of studies*. Retrieved from <http://www.doe.mass.edu/hsreform/masscore/qanda.pdf>
- <sup>41</sup> Gateway to College at Massasoit Community College. (n.d.). *Gateway to College at Massasoit: About the program; How to apply to the Gateway to College program; Answers to frequently asked questions; News archives*. Retrieved June 10, 2008 from <http://gateway.massasoit.mass.edu>
- <sup>42</sup> Nellhaus, J. (2007, October 23). *Massachusetts Department of Education FY2007 and FY2008 budgets plus FY2009 preliminary Commissioner's recommendations* [memo]. Retrieved from Massachusetts Department of Elementary and Secondary Education: <http://www.doe.mass.edu/boe/docs/1007/FY09recommendations.pdf>
- <sup>43</sup> James, J., personal communication, July 11, 2008.
- <sup>44</sup> Baer, D. (2008). Patrick sets aside funds for summer jobs. *Youth in the News: February 16–29, 2008*, 3(4). Retrieved from [http://www.ncsl.org/programs/cyf/Y41108v3\\_n4.htm#disconnected](http://www.ncsl.org/programs/cyf/Y41108v3_n4.htm#disconnected)
- <sup>45</sup> Massachusetts General Law—Chapter 71, Section 89: Commonwealth charter schools; Horace Mann charter schools; applications; enrollment; employees; funding. Retrieved June 20, 2008 from <http://www.mass.gov/legis/laws/mgl/71-89.htm>
- <sup>46</sup> Massachusetts General Law—Chapter 71, Section 89: Commonwealth charter schools; Horace Mann charter schools; applications; enrollment; employees; funding. Retrieved June 20, 2008 from <http://www.mass.gov/legis/laws/mgl/71-89.htm>
- <sup>47</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Charter schools*. Retrieved July 9, 2008 from <http://profiles.doe.mass.edu/home.asp?mode=ot&view=&ot=12>



- <sup>48</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *21st Century Community Learning Centers (CCLC) grant program*. Retrieved July 11, 2008 from <http://www.doe.mass.edu/21cclc/funding.html#>
- <sup>49</sup> Massachusetts Department of Elementary and Secondary Education. (n.d.). *Grants and other financial assistance programs: FY2008. Community service-learning: Sustainability school-based program (federal). Fund code: 354-B2*. Retrieved June 27, 2008 from <http://finance1.doe.mass.edu/grants/grants08/rfp/354B2.html>
- <sup>50</sup> Commonwealth of Massachusetts Executive Office of Health and Human Services Department of Transitional Assistance. (2005, October 1). *State plan for temporary assistance for needy families (TANF)*. Retrieved from [http://www.mass.gov/Eeohhs2/docs/dta/r\\_reform\\_stateplan.pdf](http://www.mass.gov/Eeohhs2/docs/dta/r_reform_stateplan.pdf)

# North Carolina

## Secondary Education Reform Context

- Initiatives led by the Governor's Office for high school reform include:
  - **Learn & Earn** is a 5-year dual enrollment option where high school students earn associate's degree or two years of college credit while still enrolled in high school, at no cost to the student.
  - **Redesigned High Schools** converts traditional schools into small, autonomous "schools within schools."
  - **Turnaround High Schools** creates systematic change and improvement for chronically low-performing schools.
- Other **dual enrollment** options include early or middle college high schools, also at no cost to student.
- Each local education agency (LEA) is required to have *at least one* Alternative Learning Program or School.
- Multiple **online and virtual learning options** such as *Learn & Earn Online*, *Virtual Public School*, and *Virtual Early College High School* are available to public school students in all districts.
- **North Carolina New Schools Project** is a public-private partnership between Governor's Education Cabinet and The Public School Forum nonprofit policy think tank, manages several of the above mentioned high school reform initiatives.

## Dropout Prevention & Recovery Efforts

- **Joint Legislative Commission on Dropout and Prevention** was established in 2007 by the North Carolina General Assembly to increase graduation rates.
- **Committee on Dropout Prevention** has awarded \$7 million in one-time funds, ranging from \$25,000 to \$150,000, to 60 programs across the state for 2007–2008.

## State Funding for Education Options

- Funding for public education comes primarily from the state and is based on Average Daily Membership (ADM).
- **Charter schools** receive per pupil funding comparable to public schools.
- 1997 *Leandro* court ruling forced North Carolina to increase funding for public education, especially in areas with high rates of poverty and "at-risk" students.
- LEAs receive **state supplements** that can be used to support equitable education funding for struggling students and out-of-school youth.
- **Disadvantaged Student Supplemental Fund** (DSSF) provides supplemental funding for students from low-income families, students living in single parent households, or students with at least one parent who has not earned a high school diploma.
- **Personal Education Plans** (PEPs) are required for any student who does not meet grade level proficiency; PEPs are used to guide interventions a student may need to gain proficiency (smaller classes, extended school day, alternative learning models, etc.) and are funded through DSSF.

---

## *Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth in North Carolina*

### Secondary Education Reform Context

Since the 1990s, North Carolina's education leadership has set an aggressive goal of making North Carolina the best system of public schools in the United States by 2010.<sup>1</sup> Identified priorities include closing the achievement gap, increasing secondary and postsecondary graduation rates, and decreasing the need for remediation in postsecondary institutions. The state joined the American Diploma Project in 2005 to align high school standards with postsecondary education and work and to hold educational institutions accountable for student success.

North Carolina operates 2,260 public schools (500 of which are high schools) in 115 districts (in 100 counties), and is home to five of the Nation's largest 100 school districts.<sup>2, 3, 4</sup>

Forty-two percent of its students are racial minorities and 22% live in poverty. According to the State Report Card released by the Office of the Governor and the North Carolina Public Schools, North Carolina's four-year cohort graduation rate for 2006–2007 was 69.5%, with the five-year cohort graduation rate rising only slightly to 70.3%.<sup>5, 6</sup> North Carolina reports a dropout rate of 5.24% for 2006–2007, yet neither the dropout rate nor the graduation cohort rates capture students who have not graduated within four or five years of high school, students who received Graduation Certificates, or students who earned Certificates of Achievement.

High School reform efforts have been driven by a combination of performance data, judicial pressure, and national interest.<sup>7</sup> Some reform efforts have focused on getting a more accurate picture of the true graduation and dropout rates and enhancing accountability systems, while others have involved expanding educational options for students to complete high school while simultaneously earning college credit. Since 2003, many of the high school reform efforts have been driven by Governor Mike Easley.

North Carolina has been at the forefront of standards-based reform. The state implemented its Accountability, Basics, and Local Control ("ABCs") system in 1996. This comprehensive testing system measured student growth and identified low-performing schools in need of

additional supports. With the advent of the No Child Left Behind Act of 2001, North Carolina obtained a waiver from the U.S. Department of Education to pilot a growth model for measuring school performance for purposes of Adequate Yearly Progress (AYP), a variation on the already existing ABCs that allows schools to use student academic growth over time, rather than student performance at one point in time, to measure school success.

The Innovative Education Initiatives Act (NC Gen. Stat. § 116C-4) was passed in 2003 and revised in 2005. The legislation prioritizes cooperative efforts between secondary schools and institutions of higher education in order to reduce the high school dropout rate; increase high school and college graduation rates; decrease the need for remediation in institutions of higher education; and raise certificate, associate, and bachelor degree completion rates.<sup>8</sup> The Act also mandates the Education Cabinet\* to:

- Support cooperative innovative high school programs;
- Improve high school completion rates and reduce high school dropout rates;
- Close the achievement gap;
- Create redesigned middle schools or high schools;
- Provide flexible, customized programs of learning for high school students who would benefit from accelerated, high-level coursework or early graduation;
- Establish a virtual high school; and
- Implement other innovative education initiatives designed to advance the State's system of education.

In the 2007–2008 school year, 90 of North Carolina's 115 local education authorities (LEAs) will be engaged in some form of high school reform.<sup>9</sup> These reform efforts include:

---

\* The Education Cabinet is comprised of the Governor (who serves as Chair), the North Carolina State Superintendent of Public Instruction, the State Board of Education Chairman, the President of the North Carolina Community Colleges System, the President of The University of North Carolina, the President of the North Carolina Independent Colleges and Universities, and the Secretary of the State Department of Health and Human Services.

- 1) ***Learn & Earn***, comprised of both ***Learn & Earn Early College High Schools*** and ***Learn & Earn Online***. At Learn & Earn High Schools, beginning in 9th grade students (especially nontraditional or first-generation college students) take all classes on a community college or university campus and are guaranteed an associate's degree or two years of university transfer credit while still enrolled in high school. All students are eligible, but this initiative emphasizes the selection of students who are first-generation college attendees, from economically disadvantaged backgrounds, or who have not experienced academic success in a traditional school setting. As of fall 2008, there were 70 Learn & Earn high schools operating in North Carolina.<sup>10</sup> ***Learn & Earn Online*** allows qualified students at any equipped state high school to take college courses online. Both are available at no cost to the student. The goals of the Learn & Earn initiative are to reform high schools, better prepare students for the workforce and college, create seamless curricula, and provide students with work-based experience.<sup>11</sup>
- 2) ***Redesigned High Schools***, which converts traditional high schools into "schools within schools," or small, autonomous high schools that provide an "academically rigorous, university prep curriculum that will ensure every student graduates ready for college, work, and citizenship."<sup>12</sup>
- 3) ***Turnaround High Schools***, which help chronically low-performing high schools undergo systemic change and improvement.

The **School of Inquiry and Life Sciences** (SILSA) at Asheville High School—one of North Carolina New Schools Project's Redesigned High Schools—opened in Fall 2005 and has 110 students in Grades 9 to 11. Teachers use Project-Based Learning (PBL) to provide students with a rigorous, integrated curriculum.

These reform efforts are being lead by two organizations: the State Department of Public Instruction (DPI) and the ***North Carolina New Schools Project*** (NCNSP). Established in 2003 by the office of the governor and the governor's Education Cabinet, and with the support of the Bill & Melinda Gates Foundation, NCNSP is an independent not-for-profit corporation that works with local school districts and their higher education partners to create innovative high schools. DPI manages Learn & Earn Online and most of the Turnaround High Schools, while NCNSP manages the Learn & Earn Early College High Schools, the 34 Redesigned High Schools, and 14 of the 35 Turnaround High Schools.

In addition to the Learn & Earn Early College High Schools, other dual enrollment offerings, such as early/middle college high schools or the UNC-Greensboro iSchool, have been available in North Carolina since the late 1990s.<sup>13</sup> Like Learn & Earn, students can take college level courses at no cost to the student. Dual enrollment enables students to take community college courses alongside traditional students while students in Huskins programs (the Huskins Bill replaced the state concurrent enrollment policy in 2004–2005<sup>14</sup>) remain at the public school which then contracts with colleges to teach certain courses.<sup>15</sup>

In addition, ***Communities in Schools*** (CIS) of North Carolina is making noteworthy contributions to supporting high school students to stay in school and prepare for postsecondary education or transitioning to work. According to its leadership, CIS operates 420 programs in over half of the counties in the state. Some examples of programming CIS provides to support students staying in school include afterschool programs, ninth grade academies within district schools, Future for Kids career guidance, Performance Learning Center (PLC) nontraditional high schools, programs to assist teen parents in completing high school, and other dropout prevention endeavors. CIS programs in five counties were awarded dropout prevention grants from the state for FY 2007–2008.

The **Charlotte Performance Learning Center** (PLC) is a partnership between CIS and Charlotte-Mecklenburg Public Schools. This open-entry high school serves struggling and returning high school students in 10<sup>th</sup> -12<sup>th</sup> grade. The PLC is characterized by classes with no more than 15 students, technology-enhanced curriculum, and individualized attention to students.

### Alternative Learning Programs and Schools

The North Carolina State Board of Education (SBE) defines an alternative learning program (ALP) as:<sup>16</sup>

services for students at risk of truancy, academic failure, behavior problems, and/or dropping out of school. Such services should be designed to better meet the needs of students who have not been successful in the traditional school setting.

Alternative Learning Programs serve students at any level who:

- Are suspended and/or expelled;
- Are at risk of participation in juvenile crime;
- Have dropped out and desire to return to school;
- Have a history of truancy;
- Are returning from juvenile justice settings or psychiatric hospitals; and/or
- Have learning styles better served in an alternative setting.

Alternative learning programs provide individualized programs outside of a standard classroom setting in a caring atmosphere in which students learn the skills necessary to redirect their lives.

An alternative learning program must:

- Provide the primary instruction for selected at-risk students;
- Enroll students for a designated period of time, usually for a minimum of one academic grading period; and
- Offer course credit or grade-level promotion credit in core academic areas.

Alternative learning programs may also:

- Address behavioral or emotional problems that interfere with adjustments to or benefiting from the regular education classroom;
- Provide smaller classes and/or student/teacher ratios;
- Provide instruction beyond regular school hours;
- Provide flexible scheduling; and/or
- Assist students in meeting graduation requirements other than course credits.

ALPs typically serve students in an alternative school or an alternative program within the regular school. Alternative schools serve students at risk of academic failure or other unwanted outcomes and have an official designation as an LEA. An alternative school is distinguished from a regular public school in the provision of choices or routes to completion of school. The goal for the majority of students is the return to the regular public school. Alternative schools have more flexibility in their accountability model and may also differ from other schools in teaching methods, hours (e.g. evening academies), curriculum, or sites, as their purpose is to meet particular learning needs. The ALP Consultant at DPI reports that most alternative high schools offer credit recovery and may utilize Web-based curricula, Web academies, and/or the Virtual Public School (described in more detail below).<sup>17</sup>

The State Board of Education first approved a set of procedures for Safe Schools and Alternative Learning Programs in 1999. In 2005, the General Assembly passed legislation directing the State Board of Education to adopt standards for ALPs and requiring LEAs to submit proposals before establishing an ALP.<sup>18</sup> The State Board of Education is also required to provide technical support to LEAs to assist them in developing proposals and implementation plans for ALPs, and each LEA must establish at least one ALP (required since 1999). The State Board of Education will also evaluate the effectiveness of the ALPs. Currently there are 212 ALPs in North Carolina.<sup>19</sup>



### Charter Schools

The Charter School Acts of 1996 authorized the creation of a charter school system in North Carolina, but set a cap of 100 charter schools in the state.<sup>20</sup> By 2001, all available charters had been granted. Charters are granted by the SBE and are subject to the same testing accountability standards as public schools. However, charter schools have more flexibility in their teaching methods and budget expenditures through magnet status or waivers. They receive state Average Daily Membership (ADM) funds through the LEA with supplements for students with disabilities or limited English proficiency. In 2006–2007, North Carolina operated 93 charter schools, some of which were also designated as ALPs.

On June 15, 2007 the SBE announced the formation of a Blue Ribbon Charter School Commission to examine the success of charter schools, guidelines for approving future charter schools, and whether to raise the current cap. In 2007, the General Assembly was considering at least thirteen bills related to charter school finance and regulation with at least six bills related to either raising or eliminating the cap on charter schools in the state. In spite of mixed results of charter schools' success in improving student performance—they are over-represented among the best *and* worst performing schools in the state—in January 2008, the Blue Ribbon Charter School Commission recommended to the SBE that the cap be raised by six schools per year (excluded from counting toward the cap would be high performing charter schools and the first charter school in a county that currently does not have one).<sup>21</sup> The report also expressed that children enrolled in charter schools should be funded on an equitable basis with children in public schools. Charter schools currently receive funding similar to public schools with the exception that they do not receive funding for facilities.

### Online and Virtual Learning

North Carolina has been developing several online options for students, all of which have three primary purposes: access, acceleration, and credit recovery. Both the *North Carolina Virtual Public School* (NCVPS) and *Learn & Earn Online* are made available to any public school in the state. NCVPS gives students access to courses that may not be available at their high school

and provides middle and high school students with more opportunities to take advanced high school courses. For example, eighth grade students might take Spanish I and Algebra I to fulfill high school graduation requirements, so that in the 9th or 10th grade they can begin Learn & Earn Online courses to start working toward an associate's degree. The DPI expects that NCVPS will be expanded to offer age appropriate courses for children in elementary and even pre-K. Students who are falling behind can also take courses for credit recovery through NCVPS to get back on track to graduate on time. In addition, students in any public high school can take Learn & Earn Online course—they do not have to attend a Learn & Earn High School.

A third option, *Virtual Early College High School*, is being developed by the North Carolina New Schools Project and will be available to school districts without easy access to a community college or university (i.e. a county without a community college or university within its boundaries). The Virtual Early College High School model enables a school district to create an early college high school on a high school campus. Early college high school classes that would normally take place on a community college campus will take place in a “brick and mortar” high school instead, with the college courses delivered virtually. One such school opened in 2007–2008 and four others are planning to open for the 2008–2009 school year.

### Dropout Prevention Efforts

North Carolina has been increasingly focused on the high school dropout issue and boosting college attendance and persistence rates. In the past several years it has worked to identify a graduation rate that takes into account the number of students who graduate on time and also includes dropouts in the calculation.<sup>22</sup> However, there are still questions among some North Carolina educators about whether a student who leaves school to attend community college should be counted as a dropout.

In 2007, the North Carolina General Assembly established a *Joint Legislative Commission on Dropout Prevention and Graduation* charged with examining



In 2008, **Dropout Prevention Grants** were awarded to programs with interventions ranging from increasing parental involvement, summer bridge programs, accelerated coursework and credit recovery, to targeted programming for specific demographic groups, teen pregnancy prevention, and step dancing classes.

initiatives and potential strategies that may reduce the dropout rate and increase the number of students who graduate sufficiently prepared for success in postsecondary education or the workforce, as well as other middle and high school reform efforts.<sup>23</sup> A **Committee on Dropout Prevention** was also formed to award \$7 million in state grants ranging from \$25,000 to \$150,000 to schools, school systems, nonprofits, and agencies for 2007–2008.<sup>24</sup> These one-time funds were awarded to 60 programs across the state, after which the Committee on Dropout Prevention was terminated. The Joint Legislative Commission on Dropout Prevention and Graduation was charged with evaluating whether these programs should be expanded and/or replicated to improve state graduation rates. Recently, the Commission recommended the General Assembly enact legislation to appropriate funds for additional dropout prevention grants, reestablish the Committee on Dropout Prevention to evaluate the impact of the dropout prevention grants, and appropriate funds for an independent consultant to staff the Committee and provide technical assistance to the grant recipients.<sup>25</sup>

According to the DPI's *Annual Report on Dropout Events and Rates, 2006–2007* marks the third year in a row that an increasing proportion of students were dropping out to participate in a community college program\*—more than doubling in the last three years.<sup>26</sup> These students accounted for 14% of dropouts in 2006–2007 and 38% of the increase in dropout events. Given these data, Learn & Earn and the state's middle college high schools may prove to be a successful strategy for keeping students in school until graduation.

\* A student can enroll in community college courses without a GED or a high school diploma. However, if a student declares he or she is pursuing a degree, then the student must present documentation of either a GED or a diploma.

## State Funding for Education

### General Education Funding

North Carolina has a highly centralized education system which is also reflected in its finance structure. Unlike many other states, most of North Carolina's funding for K-12 education comes from the state, with about one-quarter coming from the localities and one-tenth coming from federal funding sources.<sup>27</sup> Eighty-five percent of the federal funding North Carolina receives for education is used to fund programs for low-income students (Title I, 35%), students with disabilities (IDEA, 26%), and school nutrition programs (29%).<sup>28</sup>

The state distributes money to LEAs through allotments based on ADM and supplemental allotments based on various criteria (e.g. headcount, student performance, population demographics). According to state officials, state per pupil funding ranges from \$4,786 to \$10,603, with a state average of \$5,214. This is supplemented by local funding, which ranges from \$296 to \$3,586 for 2005–2006. In 2005–2006, North Carolina public schools spent \$6.8 billion in a combination of local (25.6%), state (63.5%), and federal funds (10.9%).

K-12 Revenue Source	North Carolina	US Average
Local Governments, 2005–2006	25.1%	43.7%
State Governments, 2005–2006	63.8%	47.3%
Federal Government, 2005–2006	11.1%	9.0%

## State Profiles: North Carolina *continued*

The General Assembly has allocated funds for the above-mentioned initiatives. The State administers funding to LEAs through three types of allotments:

- 1) **Position** allotments (teachers, instructional support personnel, school building administration);
- 2) **Dollar** allotments (based on ADM for textbooks, classroom supplies/materials/equipment, teacher assistants, central office administration); and
- 3) **Categorical** allotments (based on various criteria; e.g., headcount, student performance, population demographics) which can support students at risk of not graduating, including:
  - Disadvantaged Student Supplemental Funding;
  - At-Risk Student Services/Alternative Schools;
  - Limited English Proficiency;
  - Low wealth county;
  - Small county;
  - Children with disabilities; and/or
  - Career Technical Education.

### Funding for Education Options

In addition to ADM funding, LEAs also receive supplemental (categorical) allotments for gifted, at-risk student services/Alternative Schools, and Limited English Proficient student services; supports for students with disabilities; career technical education program support; low wealth and/or small county supplemental funding; school technology, staff development, transportation and driver training. Some of these supplemental allotments are also based on ADM.

In response to the 1997 *Leandro* ruling, which was the result of a case brought by parents, schools boards and students from five low-wealth counties and six urban school districts against the State Board of Education and State of North Carolina for not providing enough funding to provide a sound basic education, the State has taken steps to increase funding for public education. In 2004, the General Assembly created a **Disadvantaged Student Supplemental Fund** (DSSF) to support districts in educating “disadvantaged” students from low-income families, students living in single-parent households, or students with at least one parent who has not earned a

high-school diploma.<sup>29</sup> In 2004 and 2005, DSSF money was given to 16 pilot districts, but expanded to the other 115 districts in 2006. For FY 2006–2007, the 16 pilot districts received between \$732 and \$1,046 per disadvantaged student; the other remaining districts received between \$55 and \$175 per disadvantaged student.

LEAs can use DSSF funding to finance teacher recruitment/retention and professional development, class-size reduction, intensive in-school and/or after-school remediation, the purchase of diagnostic software and progress-monitoring tools; and the development and implementation of Personal Education Plans (PEPs). By law, any student who does not meet grade level proficiency (scores a Level I or II on end-of-grade/end-of-course tests) is eligible for a PEP.<sup>30</sup> PEPs assist parents and school staff in providing the interventions a student may need to meet grade level proficiency, such as smaller classes, tutorial sessions, extended school day, and alternative learning models.

In spite of some of these funding supplements, North Carolina does not compare well with other states in terms of resource equity. In fact, a 2006 study cites North Carolina as having the second-worst wealth-neutrality score in

The **Gateway Recovery Program** in Haywood County harnesses WIA (90%) and local funding to provide a credit-recovery program in partnership with the local community college (which received full-time equivalent funding from the state). Instruction is delivered through the community college and the program is aligned with the Joblink system to provide additional services. Enrolled are 11th- and 12th-grade students who need four to five credits to graduate, but have barriers to attending a traditional high school, such as parenting, poverty and a need to work. In 2.5 years the program has only cost Haywood County Schools \$10,000. The program has graduated 85 students since July 2007, giving it a 90% success rate. Gateway is currently seeking additional funds to expand to the 9th and 10th grades.

the nation due to the discrepancy between the per pupil funding levels in the state's wealthier districts versus its poorer districts.<sup>31</sup> For 2005-2006, the per pupil funding ranged from \$3,586 in Orange County to a mere \$296 in Swain County.<sup>32</sup> Although the State has had specific education supplements for low-wealth and small counties since 1991, it does not appear that these are sufficient to eliminate these funding discrepancies.

Other sources of funding for educational options in North Carolina come from the State Department of Juvenile Justice and Delinquency (DJJDP) prevention and the U.S. Department of Labor Workforce Investment Act (WIA) youth funds. As of 2004, North Carolina was operating approximately 24 Juvenile Structured Day Programs (JSDP), a type of ALP.<sup>33</sup> These programs are located in both urban and rural areas and work with adjudicated youth and youth on short- and long-term suspension in community-based settings. Funding for these programs may include the North Carolina Governor's Crime Commission, DJJDP, Medicaid (for eligible youth), and local Juvenile Crime Prevention Councils, school districts, Sheriff's Offices, or nonprofits.

## Endnotes

- <sup>1</sup> *The achievement gap: National & state perspectives*. (n.d.). Retrieved May 13, 2008 from <http://www.ncpublicschools.org/racg/resources/strategies/movement/perspectives>
- <sup>2</sup> *High School Turnaround*. (n.d.). Retrieved May 13, 2008 from North Carolina Public Schools: <http://www.ncpublicschools.org/highschoolturnaround/>
- <sup>3</sup> Editorial Projects in Education Research Center. (2006, January). *Quality counts at 10: A decade of standards-based education —North Carolina*. Retrieved from <http://www.edweek.org/media/ew/qc/2006/17shr.nc.h25.pdf>
- <sup>4</sup> Fonda, S. (2006). *Key revenue and expenditure statistics for 2004-05*. Retrieved from Education Commission of the States: <http://www.ecs.org/clearinghouse/72/39/7239.pdf>
- <sup>5</sup> *2006-07 school year state report card*. (n.d.). Retrieved March 10, 2008 from <http://www.ncreportcards.org/src/stateDetails.jsp?Page=1&pYear=2006-2007>
- <sup>6</sup> Fabrizio, L. (2007). *Calculating the number of dropouts in NC: Annual dropout rate*. November 13, 2007 presentation to the Joint Legislative Commission on Dropout Prevention and High School Graduation. Retrieved from <http://www.ncleg.net/documents/sites/committees/JLCSPHSG/Meeting,%20November%2013,%202007/Dropout%20Data.pdf>
- <sup>7</sup> North Carolina General Assembly Fiscal Research Division. (2007, December 21). *North Carolina high school reform: Fiscal brief*. Retrieved from [http://ncleg.net/fiscalresearch/topics\\_of\\_interest/topics\\_pdfs/High%20School%20Reform%20Fiscal%20Brief\\_Final\\_12%2021%2007.pdf](http://ncleg.net/fiscalresearch/topics_of_interest/topics_pdfs/High%20School%20Reform%20Fiscal%20Brief_Final_12%2021%2007.pdf)
- <sup>8</sup> North Carolina General Statutes § 116C-4 (First in America Innovative Education Initiatives Act). Retrieved May 13, 2008 from [http://www.ncga.state.nc.us/enactedlegislation/statutes/html/bysection/chapter\\_116c/gs\\_116c-4.html](http://www.ncga.state.nc.us/enactedlegislation/statutes/html/bysection/chapter_116c/gs_116c-4.html)
- <sup>9</sup> North Carolina General Assembly Fiscal Research Division. (2007, December 21). *North Carolina high school reform: Fiscal brief*. Retrieved on March 4, 2008 from [http://ncleg.net/fiscalresearch/topics\\_of\\_interest/topics\\_pdfs/High%20School%20Reform%20Fiscal%20Brief\\_Final\\_12%2021%2007.pdf](http://ncleg.net/fiscalresearch/topics_of_interest/topics_pdfs/High%20School%20Reform%20Fiscal%20Brief_Final_12%2021%2007.pdf)
- <sup>10</sup> North Carolina Learn and Earn. (n.d.). *Learn & Earn high schools*. Retrieved July 9, 2008 from <http://www.nclearnandearn.gov/learnEarnHighschools.htm>
- <sup>11</sup> North Carolina New Schools Project. (2004, September 8). *Learn & Earn: Accelerating high school reform* [PowerPoint slides]. Retrieved from [http://newschoolsproject.org/documents/Learn\\_and\\_Earn.ppt](http://newschoolsproject.org/documents/Learn_and_Earn.ppt)
- <sup>12</sup> North Carolina New Schools Project. (n.d.). *High school innovation projects*. Retrieved January 4, 2008 from <http://www.newschoolsproject.org/projects.html>

## State Profiles: North Carolina *continued*

- <sup>13</sup> Evolution of the ABCs. (n.d.). Retrieved May 19, 2008 from <http://www.ncpublicschools.org/docs/accountability/reporting/abc/2006-07/abcevolution.pdf>
- <sup>14</sup> Academic Pathways to Access and Student Success (APASS). (n.d.). *North Carolina state profile*. Retrieved November 20, 2007 from <http://www.apass.uiuc.edu/states/profiles/nc%20profile.pdf>
- <sup>15</sup> Young, H. (2006, March 15). Learn and Earn's impact in the future. *Carolina Journal Online*. Retrieved from [http://www.carolinajournal.com/exclusives/display\\_exclusive.html?id=3185](http://www.carolinajournal.com/exclusives/display_exclusive.html?id=3185)
- <sup>16</sup> *Alternative Learning Programs implementation and procedures: Definitions*. (2000, January). Retrieved from <http://www.dpi.state.nc.us/alp/develop/implementation/definitions>
- <sup>17</sup> V. Burch, personal communication, January 17, 2008.
- <sup>18</sup> North Carolina General Statutes § 115C-12(24). Retrieved May 13, 2008 from <http://www.ncleg.net/Sessions/2005/Bills/House/PDF/H1076v6.pdf>
- <sup>19</sup> North Carolina Public Schools Alternative Learning Programs: Directory. (n.d.). Retrieved May 13, 2008 from <http://www.ncpublicschools.org/alp/directory/>
- <sup>20</sup> North Carolina State Board of Education. (2001). *History of the North Carolina State Board of Education: Charter schools*. Retrieved from [http://www.ncpublicschools.org/state\\_board/SBE\\_history/history\\_book.pdf](http://www.ncpublicschools.org/state_board/SBE_history/history_book.pdf)
- <sup>21</sup> Blue Ribbon Commission on Charter Schools. (2008). *Report from the Blue Ribbon Commission on Charter Schools to the North Carolina State Board of Education*. Retrieved from [http://www.ncpublicschools.org/sbe\\_meetings/0801/charterfinalreport.pdf](http://www.ncpublicschools.org/sbe_meetings/0801/charterfinalreport.pdf)
- <sup>22</sup> Stallings, T. (2007, May). Missing persons: Understanding and addressing high school dropouts in North Carolina. *North Carolina Insight*, Vol. 22, Nos. 2-3. Raleigh, NC: North Carolina Center for Public Policy Research.
- <sup>23</sup> General Assembly of North Carolina Session Law 2007-323, sec. 7.32.(f). Retrieved July 9, 2008 from <http://www.ncga.state.nc.us/sessions/2007/bills/house/html/h1473v10.html>
- <sup>24</sup> North Carolina Department of Public Instruction. (2008, January 23). *Dropout prevention grants awarded to 60 groups across North Carolina*. Retrieved from <http://www.ncpublicschools.org/newsroom/news/2007-08/20080123-01>
- <sup>25</sup> Joint Legislative Commission on Dropout Prevention and High School Graduation. (2008, April 29). *Report to the Joint Legislative Education Oversight Committee and the 2008 regular session of the 2007 General Assembly of North Carolina*. Retrieved from <http://www.ncleg.net/documentsites/committees/JLCDPHSG/2008%20Report/High%20School%20and%20Drop%20Out%20Prevention.pdf>
- <sup>26</sup> *Report to the Joint Legislative Education Oversight Committee: Annual Report on Dropout Events and Rates G.S. 115C-12(27)*. (Report #56, DPI Chronological Schedule, 2007-2008). Retrieved from May 13, 2008 <http://www.ncpublicschools.org/docs/research/dropout/reports/200607dropout.pdf>
- <sup>27</sup> National Education Association. (2007, December). *Rankings & Estimates: Rankings of the States 2006 and estimates of school statistics 2007*. Retrieved from <http://www.nea.org/edstats/images/07rankings.pdf>
- <sup>28</sup> Public School Forum of North Carolina. (2007). *2007 Local Finance Study*. Raleigh, NC: Author.
- <sup>29</sup> NC Justice Center. (2007, January). *NC issue brief: Disadvantaged Student Supplemental Fund*. Retrieved from [http://www.ncjustice.org/assets/library/1056\\_disadvstudentsupfdsept07.pdf](http://www.ncjustice.org/assets/library/1056_disadvstudentsupfdsept07.pdf)
- <sup>30</sup> NC Justice Center. (2007, January). *NC issue brief: Personal Education Plans*. Retrieved from [www.ncjustice.org/assets/library/954\\_ibmay1107pep.pdf](http://www.ncjustice.org/assets/library/954_ibmay1107pep.pdf)
- <sup>31</sup> Editorial Projects in Education Resource Center. (2006, January). *Quality counts at 10: A decade of standards-based education—North Carolina*. Retrieved from <http://www.edweek.org/media/ew/qc/2006/17shr.nc.h25.pdf>
- <sup>32</sup> Public School Forum of North Carolina. (2007). *2007 local finance study*. Raleigh, NC: Author.
- <sup>33</sup> Fraser, J. C. (2004, November). *Juvenile structured day and alternative learning programs: Impact and process study* (CURS Report # 2004-04). Center for Urban & Regional Studies at The University of North Carolina at Chapel Hill. Prepared for The Governor's Crime Commission, North Carolina Department of Crime Control and Public Safety. Retrieved from <http://www.ncgccd.org/pdfs/juvjus/jsdp.pdf>

---

# Appendix

## Potential Sources of Public Funds to Support Secondary Education Options

Below is a listing of sources of public funds to support alternative education options. Schools and programs blend these various sources of funds in different combinations to obtain the support necessary to offer their programs, most of which are more costly—often significantly so—than traditional education programs. It is extremely important to understand that despite the fact that there seems to be a wide range of public funds available to support alternative education options, the opportunities for struggling students and out-of-school youth to re-engage with high-quality education programs are extremely limited. Current resources are not sufficient to meet the needs of the many disconnected youth and have been on the decline for three decades.<sup>1,2</sup>

### State and local per pupil funds

### City/county general operating funds

### City/county/state funds for student supports, such as housing and health funds

### State dropout prevention/recovery grants

### State alternative education funds

### Charter funds

### Federal funds:

#### ***U.S. Department of Labor:***

- Workforce Investment Act (WIA) Youth funds
- Responsible Reintegration of Youthful Offenders funds
- YouthBuild funds

#### ***U.S. Department of Education:***

- Elementary and Secondary Education Act (ESEA), Titles I, II, III, IV, V, and VI funds (General, Migrant Children, Neglected/Delinquent/At-risk of Dropping Out, Teacher Quality, English Language Acquisition, Safe and Drug-Free Schools, Parental Choice, Public Charter Schools, Innovative Programs)

- Individuals with Disabilities Education Act (IDEA) funds
- Higher Education Act (HEA) funds
- Carl D. Perkins Career and Technical Education (CTE) funds
- Adult Education and Family Literacy funds (Adult Basic Education, ESL, and GED test prep)
- 21st Century Community Learning Center funds
- McKinney Education for Homeless Children and Youth funds
- GEAR UP funds
- TRIO funds

#### ***U.S. Department of Health and Human Services:***

- Temporary Assistance for Needy Families (TANF) funds
- John H. Chafee Foster Care Independence Program (CFCIP) funds
- Community Mental Health Services Block Grants
- Community Services Block Grants

#### ***U.S. Department of Justice:***

- Juvenile Justice and Delinquency Prevention funds

#### ***Corporation for National and Community Service:***

- Americorps funds
- Learn and Serve America School and Community-based Program funds

## Endnotes

- <sup>1</sup> Barton, P.E. (2005, February). *One-third of a nation: Rising dropout rates and declining opportunities*. Princeton, NJ: Policy Information Center, Educational Testing Service.
- <sup>2</sup> Thakur, M. B., & Henry, K. (2005). *Financing alternative education pathways: Profiles and policy*. Washington, DC: National Youth Employment Coalition.





---

# *NYEC Board of Directors and Staff*

## **NYEC Board of Directors 2007–2009**

### ***Chair***

#### **Howard Knoll**

Senior Director, Strategic Consulting  
Casey Family Programs  
New York, NY

### ***Vice Chair***

#### **Ephraim Weisstein**

Education, Career, and Youth Development Consultant  
School and Main Institute  
Lexington, MA

### ***Secretary***

#### **Karine Kanikkeberg**

Resource Teacher  
Kern County High School District, Career Resource Department  
Bakersfield, CA

### ***Treasurer***

#### **Bob Rath**

President/CEO, Our Piece of the Pie  
Hartford, CT

## **At-Large Members**

#### **Ivan Charner**

Vice President and Director, National Institute for Work  
and Learning  
Academy for Educational Development  
Washington, DC

#### **Alice Cole**

Director, Youth Career Development Services  
Baltimore Mayor's Office of Employment Development  
Baltimore, MD

#### **Glenn Eagleson**

Director of Youth Workforce Development  
San Francisco Mayor's Office of Economic and Workforce  
Development  
San Francisco, CA

#### **Ardell Galbreth**

Deputy Director  
Nevada Department of Employment, Training and Rehabilitation  
Las Vegas, NV

#### **Phil Matero**

Senior Consultant  
YouthBuild USA/YouthBuild International  
Los Angeles, CA

#### **Toyce Newton**

Executive Program Director  
Phoenix Youth and Family Services  
Crossett, AR

#### **Arnold Palacios**

Program Manager  
Pima County Community Services Department  
Tucson, AZ

#### **Sally Prouty**

President and CEO  
The Corps Network  
Washington, DC

#### **Laura Shubilla**

President  
Philadelphia Youth Network  
Philadelphia, PA

#### **Adrienne R. Smith**

President  
Education and Workforce Consultants  
Placitas, NM

#### **Lori Strumpf**

President  
Strumpf Associates: Center for Strategic Change  
Washington, DC

## **NYEC Staff**

#### **Mala B. Thakur**

Executive Director

#### **Nancy Martin**

Director, Capacity Building Initiatives

#### **GeMar Neloms**

Director, Professional Development

#### **Daphne Edwin**

Financial Operations Manager

#### **Eric Cline**

Member Services Coordinator

#### **Jonathan Larsen**

Policy Associate

#### **Christina Weeter**

Policy Associate

#### **Le-Vadie Veney**

Office Coordinator





## Membership Benefits for Organizations

### Membership in the National Youth Employment Coalition offers organizations access to exclusive member benefits:

**www.nyec.org.** An online resource customized for workforce development, youth development, and education professionals, with the latest information about publications, events, policy, legislation, research, and trends in the field. As an NYEC member, you will have unrestricted access to the site and a special section just for NYEC Members.

**YouthNotes.** NYEC's monthly e-newsletter, tailored to the needs of NYEC's members, features informative articles by respected experts, a legislative update, and information about important events in the field.

**Targeted Policy and Advocacy Efforts.** NYEC's Policy and Legislative efforts allow NYEC members to inform policy development at all levels and mobilize to advance consensus policy positions; legislative updates and alerts enable members to stay abreast of relevant legislative and policy developments.

**Special Alerts.** NYEC keeps its members abreast of relevant breaking news and current events with email alerts and conference calls. The calls also provide an opportunity to inform influential persons on issues of workforce development, youth development, and education policy and practice.

**Program Improvement Resources.** Access to the latest information and resources on quality standards for youth programs, professional development, and practices that work. NYEC develops, identifies, distills, and creates accessible tools, resources, information, and research to communicate proven strategies that are responsive to the needs of youth-serving organizations, systems, practitioners, and the youth they serve.

**Special Projects and Events.** NYEC manages several initiatives that contribute to the youth workforce development, youth development, and education fields, on effective practice, professional development, and more. Members may serve on working groups to inform these initiatives. Members are also entitled to discounts on publications and event fees.

**Networking and Information Sharing.** NYEC facilitates dialogue among its diverse member organizations throughout the year. Exclusive professional development opportunities include:

- *Annual Members Forum:* Members from around the country come together to network, learn about cutting-edge strategies, and develop solutions to collective challenges on youth policy and practice.
- *Policy Events:* Learn about policy developments, learn how to be an effective advocate, and visit representatives on Capitol Hill.
- *National Youth Development Symposium:* Discounted rate to the leading national conference on youth workforce development and youth development.
- *Affinity Groups:* NYEC convenes professional interest groups that discuss current issues on different aspects of youth workforce development, youth development, and education.

**Full Participation and Voting Privileges.** This includes the opportunity to serve on NYEC committees and working groups and to run for and elect the Board of Directors.

The **National Youth Employment Coalition** improves the effectiveness of organizations that seek to help youth become productive citizens. NYEC represents over 250 member organizations in 40 states and the District of Columbia. Our diverse membership network includes direct service providers; local and state education, workforce, and other public agencies; research and policy organizations; national organizations; local, state, and national networks; and technical assistance providers. NYEC is a significant contributor in the development of youth policy and the improvement of workforce development, youth development, and education practices.





# NATIONAL YOUTH EMPLOYMENT COALITION

1836 Jefferson Pl., NW, Washington, DC 20036 • 202-659-1064 • [www.nyec.org](http://www.nyec.org)

## Application for Membership

Organization Name

Organization Director/CEO Name and Title

Mailing Address

City, State, Zip

Main Phone

Main Fax

Website

Organization's Mission

Contact	Name	Title	Email
Primary			
Secondary 1			
Secondary 2			

### How did you hear about NYEC?

Attended an NYEC Event: \_\_\_\_\_

Current NYEC Member: \_\_\_\_\_

Internet: \_\_\_\_\_

Media Outlet: \_\_\_\_\_

Met NYEC Staff Person: \_\_\_\_\_

Other: \_\_\_\_\_

### Organization Work Focus

- Direct Service ☐
- Research/Policy ☐
- Intermediary/Technical Assistance ☐
- Public Agency/Workforce Board ☐
- Local/State Network ☐
- National Network ☐

## DUES SCALE

Please select one.

Organization Annual Budget		Annual Dues
<input type="checkbox"/>	Less than \$1 Million	\$350
<input type="checkbox"/>	Between \$1 Million and \$2 Million	\$550
<input type="checkbox"/>	Between \$2 Million and \$5 Million	\$750
<input type="checkbox"/>	Over \$5 Million	\$850
<input type="checkbox"/>	Contributing Members**	\$1000+

Contributing members voluntarily contribute above their dues level in support of the NYEC. They are recognized as such and a list of contributing members is included in all NYEC publications.

### Payment Information

- ☐ Check
- ☐ Purchase Order #: \_\_\_\_\_
- Please send an invoice with the PO#
- ☐ Credit Card    ○ MC    ○ Visa

Card Number

Cardholder Name (print)

Exp. Date

Cardholder Signature

Date

